

Weekend FT
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A bomb that could blow India apart

Gandhi's assassination will test the growing resilience of India's democracy and economy

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Talents in bloom

Robin Lane Fox celebrates the varied artistry of the Chelsea Flower Show

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The mortgage maze

Is this the time to lock into a fixed rate loan? Philip Coggan offers guidance

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Man's worst friend

John Willman on bad dogs and Englishmen

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The sharp set

Rebecca Pike mixes with the young blades at the alternatives to the gentlemen's club

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EUROPE'S BUSINESS NEWSPAPER

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Weekend May 25/26 1991

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WORLD NEWS

Israel starts airlift from Ethiopia

Israel launched an emergency operation yesterday to airlift thousands of Ethiopian Jews trapped in the Ethiopian capital as fighting continued between rebels and government troops.

A US official said the Israelis were rushing to complete the airlift before rebel groups marched on Addis Ababa. Britons living in Addis Ababa were advised by the Foreign Office to leave.

As the airlift began, it emerged that local army units defending the government-held Eritrean capital, Asmara, had surrendered to Eritrean rebels. Page 22; Eritrea a thorny issue, Page 3

Democrats urge inquiry

Senior Democrats in the US Senate and House of Representatives want a Congressional investigation into alleged exports of US missile technology to South Africa with the knowledge of the CIA. Page 3

Relief aircraft crashes

Four Soviet crewmen died when their transport plane crashed in western Iran after running out of fuel. It was carrying international relief aid for Iraqi refugees.

Bodies found

Two bodies have been found in northern Iraq by Royal Marines searching for a missing BBC news crew.

Georgians set for polls

Soviet Georgians vote in their first presidential elections tomorrow. Present leader Zviad Gamsakhurdia is expected to win, despite accusations that he is dictatorial and has mis-handled the republic's independence campaign. Page 2

Ex-soldier cleared

Former soldier Clive Shorters, 29, was cleared at the Old Bailey in London of starting a fire at a Falkland Islands hospital in which eight people died seven years ago.

Argentine rail row

Argentina's state-owned railway said it would shed 12,500 jobs to streamline its operations. Rail unions, which staged 44 days of strikes earlier this year, immediately threatened protest action.

No confidence motion

Poland's Solidarity government faces its first parliamentary no confidence challenge today. The motion, criticising the handling of the economy, was tabled by the KSL, the anti-party but looks unlikely to succeed.

Editor quits

Stephen Glover, editor of the loss-making Independent on Sunday, is resigning as the paper prepares to merge with its daily sister title, The Independent. The company plans 65 job cuts. Page 4

Altapiece fetches £2m

A 14th-century altarpiece by Taddeo Gaddi fetched £1.98m at a Christie's auction in London, almost double the estimate. The privately-owned Bromley Davenport altarpiece was bought by an anonymous telephone bidder. Page 4

England win

England beat the West Indies by one wicket in the first Test County one-day match at Edgbaston.

Notice to readers

The Financial Times will not be published on Monday May 27. It will be published again on Tuesday May 28.

BUSINESS SUMMARY

Dresdner reveals stake in Allianz

Dresdner Bank revealed that it had a 10 per cent stake in Allianz, Germany's and Europe's largest insurance concern. Allianz is believed to have a similar, or even slightly larger, holding in Dresdner.

The statement was the first confirmation by Dresdner that it was a shareholder in Allianz, although there has been previous speculation. Page 10

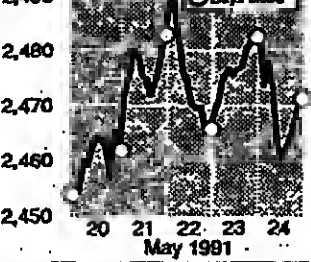
SD-SCICON, UK computing services company

in which British Aerospace holds a 25 per cent stake, became the subject of a takeover bid valuing it at £11m. The bidder is Cray Electronics, high technology company. Page 8; Lex, Page 22

London shares: The FT-SE

Index gained 17.1 on the week as the market sensed that a cut in base rates was imminent. Equity strategists believe

FT-SE 100



base rates will hold at 11 1/4 per cent for some time and the government's poor showing in public opinion polls implies that political factors may hang over an unsettled equity market for the summer. London stocks, 13; Lex, Page 22

TRADE: French minister for European affairs

criticised the US for protectionism in its telecoms market. Elisabeth Guigou focused on AT&T, US telecoms group and the local Bell telephone networks, for excluding foreign suppliers from equipment procurement. Page 22

INDUSTRY: Manufacturing orders and output

falling, according to the latest industrial trends survey from the Confederation of British Industry. Page 5

NISSAN UK, private UK distributor of Nissan vehicles,

was refused an injunction against Nissan Motor, opening the way for the Japanese car group to establish its own UK dealer network. Page 22

GUARDIAN Royal Exchange, UK insurance company,

hopes to raise a record sum of £30m for a special dividend with the sale of 22,500 acres in East Anglian. City institutions have shed farmland investments totalling 250,000 acres over the past five years. Page 4

WOLVERHAMPTON & Dudley Breweries, UK Midlands brewer,

saw interim pre-tax profits rise by 14 per cent to £15.76m in spite of lower beer volumes. Page 8

CENTRAL Independent Television, the only big ITV network

without a rival for its franchise in the current competition, reported a 29 per cent drop in annual pre-tax profit. Page 8

NBC, Japanese electronics company,

reported a 22.5 per cent drop in consolidated pre-tax profits to ¥134.19bn (¥565.8m) due to significant losses when it withdrew from the US audio-visual equipment market and a weaker performance by semiconductor subsidiaries. Page 10

Hanson rules out hostile bid for ICI

By Roland Rudd and Charles Leadbeater

HANSON, the UK-based conglomerate, proposed a full-scale merger with Britain's Imperial Chemical Industries to create one of the largest industrial combines in the world, during talks between the two groups earlier this week.

For Hanson, the aim of such a merger would be to give it an international reach, extending far beyond its current operations, which are almost exclusively in the UK and US.

A merger is just one proposal being considered by Hanson and its advisers in the wake of its move last week to buy a 2.8 per cent shareholding in ICI.

However, Lord Hanson, chairman, in his first interview since buying the ICI stake, said yesterday: "We do not want to do a big hostile takeover at all whether in the US or the UK."

An alliance with ICI would give Hanson greater access to markets in Europe and the Pacific Rim which it needs to penetrate to maintain the growth it achieved in the 1980s. The merged group would continue to run many of the businesses in which ICI currently has a strong international position.

Hanson, which has become ICI's second largest shareholder, wants the chemicals group to spin off its pharmaceuticals division into a joint venture or alliance with another drugs group to give it the scale to compete in world markets.

Its advisers believe ICI's pharmaceuticals division, which last year contributed 47 per cent of pre-tax profits on 11 per cent of its turnover, is too big to be merely a division of the group but not big enough

Lords Hanson and White: Corporate crusaders...Page 5

to compete with the likes of Glaxo or SmithKline Beecham. A merger with ICI to create a group with a combined turnover of about £200m a year would mark a sharp change of direction for Hanson. In the past, it has subsequently sold off more than half of the assets in companies it acquired.

Lord Hanson said: "We have become so successful financially that we are now able to look at other ways and means of making money for our shareholders by going into other parts of the world."

Lord White, chairman of Hanson Industries, the group's US arm, said yesterday: "It may be that we have to move in a slightly different way to continue our growth."

Hanson executives believe that the recession, political changes in the UK after Mrs Margaret Thatcher's resignation and the poorer health of the financial system may combine to limit the scope for hostile takeovers.

The company is engaged in a delicate manoeuvre to test City and political reaction to the prospect of it taking a significant role in ICI's development without triggering a bid. In the next few weeks, Hanson's advisers will spread the word that it does not want to make a hostile bid and has no plans to merge in the near future.

However, Hanson executives believe ICI has lost its way and needs new impetus to knock it into shape.

It is thought that Hanson may wait for a year before deciding

Continued on Page 22



In the dust and heat of midsummer, the pyre of Rajiv Gandhi burns on the banks of New Delhi's Yamuna River. Wearing a white funeral sari, the former Indian prime minister's widow Sonia walks around the pyre, set alight by Gandhi's son Rahul after a four-hour state funeral procession through the streets of the capital. Page 22

Base rates cut by half a point

By Rachel Johnson, Peter Norman and John Authers

THE UK government cut bank base rates by half a percentage point yesterday for the fifth time since mid-February in an attempt to stimulate the economy from its deep recession.

Within minutes of a widely expected half-point cut in the Bank of England's dealing rate, UK clearing banks cut their base rates to 11.5 per cent from 12 per cent and building societies announced lower mortgage rates.

Britain's biggest mortgage lender, Halifax building society, said it would cut its rate by half a point to 12.45 per cent immediately for new borrowers and from July 1 for existing borrowers. This is its lowest rate for 2 1/2 years.

Abbey National, the second highest lender, followed with an immediate 0.5 point cut to 12.35 per cent for new borrow-

ers and said this rate would apply to existing borrowers from June 26. It said this was its lowest rate for three years.

Abbey also altered discounts so that first-time buyers, crucial for a revival of the housing market, could borrow £100,000 or more at 9.56 per cent.

The moves followed mounting calls for an easing of borrowing costs during a week packed with recessionary data and poor results and profit warnings from several large UK companies.

First-quarter national output figures and retail sales and trade data for April had shown no upturn in the economy even though the government started cutting interest rates from 15 per cent in October.

Last night, the Confederation of British Industry warned in its monthly trends survey

Rate cut leaves finance markets unmoved...Page 5
Editorial Comment...Page 6
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Spain takes firm stand on rate cuts...Page 2
Mortgage maze...Wkd II and III

that there was no sign yet of a recovery in manufacturing industry.

An opinion poll showed that Labour's lead over the Conservatives was at its greatest since Mr John Major became prime minister six months ago.

The monetary authorities insisted that the cut had been taken for economic and not political motives. The Bank of England said: "The move is entirely appropriate given clear improvements in underly-

ing inflation and developments in the real economy." The Treasury said the cut was "prudent and right." Rates were appropriate to keep sterling within its bands in the European exchange rate mechanism and to bear down on inflation.

Initially, the cut appeared to have been discounted in the value of the pound and equities. However, sterling fell against the D-Mark on the foreign exchanges as New York investors started to take a bearish view of the pound.

The news provoked a muted reaction elsewhere. Prices of long gilts fell half a point on technical factors and anxieties about rising inflation and stock supply ahead of an afternoon announcement by the Bank of a June auction of £1bn-£2bn of medium-dated gilts.

Polly Peck transferred £300m to subsidiaries

By David Barchard

MORE THAN £300m was transferred from the London headquarters of Polly Peck International, the collapsed fruit trading and electronics group, to subsidiaries in Turkey and Cyprus between September 1987 and last autumn.

Mr Christopher Morris of Touche Ross, one of the three administrators now handling the group's affairs, told more than 1,000 creditors sitting at a meeting at Alexandra Palace in London that he was still trying to discover why the transfers had been made.

"We have identified many transfers of funds being booked to the Near East operations of Meyna (the Turkish fruit subsidiary) and Uni-Pac (the packaging operation in northern Cyprus). These businesses were reportedly very profitable and therefore might be expected to be significant cash generators," Mr Morris said.

He said there were significant differences between local management accounts and the

Polly Peck creditors support administrators' plans...Page 5

consolidated group figures for some Polly Peck companies in Turkey and Cyprus.

Polly Peck headquarters' group accounts showed, for example, that Meyna had made £38m in pre-tax profits in 1989, but local management accounts in Turkey suggested that it had made only £2m.

"Differing explanations have been offered, none of which we have yet been able to confirm," Mr Morris said.

The good news for the rows of dark-suited creditors sitting impassively in the vast auditorium, was that the administrators believe that Polly Peck's three largest subsidiaries, PPI Del Monte, Sansui, the Japanese audio group, and Vestel, the Turkish consumer electronics group, are relatively strong and can survive.

The meeting approved by an overwhelming majority plans

to restructure them while selling off problematic investments in Cyprus and Turkey and non-core businesses elsewhere. The administrators said they gave creditors a relatively bright prospect of eventually getting back at least half of the £1.1bn they are owed.

Nonetheless, Mr Morris's words shattered any remaining illusions about Polly Peck, the London stock market's star performer of the 1980s.

"The manner in which the group was run and the level of control exercised by the main board was less than might have been expected of a major public company," he said.

Mr Morris said he had asked Mr Asil Nadir, chairman and chief executive, to comment on newspaper reports which indicated that Gunaydin, a Turkish newspaper, and Imperbank in Istanbul were purchased with Polly Peck funds.

Mr Nadir had replied through lawyers, asserting he was the owner of the bank and

Continued on Page 22



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MARKETS

STERLING	DOLLAR	STOCK INDICES
New York futures: \$1.731	New York futures: DM1.708	FT-SE 100: 2,467.1 (+16.9)
London: \$1.7305 (1.735)	FFr 1.4535	FT Ordinary: 1,945.4 (+12.0)
DM2.9575 (2.975)	Y138.285	FT-A All-Share: 1,992.72 (+0.85)
FFr10.045 (10.1025)	London: DM1.7085 (1.714)	New York futures: DJ Ind. Av. 2,915.03 (14.99)
SPF2.5175 (2.525)	FFr3.905 (3.9225)	S&P Comp: 377.55 (+2.56)
Y239.5 (239.0)	SPF1.455 (1.452)	Tokyo Nikkei: 25,529.14 (-114.51)
E index 91.5 (92)	Y138.4 (137.7)	LONDON MONEY
GOLD:	S index 85.9 (86.0)	3-month interbank: closing 11.3 1/4 (11 1/4)
New York: Comex Jun \$356.8 (355.5)	Tokyo close: Y137.35	Libor long-gilt future: Jun 90 91/32 (91)
London: \$356.05 (355.55)	US LUNCHTIME RATES	
N SEA OIL (Argus) Brent Jul \$19.525 (+0.075)	Fed Funds 5 1/2 %	
	3-m Treasury bill: yield: 5.53 %	
	Long Bond: yield: 8.3 %	

Chief price changes yesterday Page 22

US missile shipments to S Africa bring inquiry call

SENIOR Democratic members of the US Senate and House of Representatives yesterday called for Congressional investigations of the illegal export of ballistic missile technology to South Africa which occurred between 1984 and 1986 with the full knowledge of the Central Intelligence Agency.

The discovery that the CIA had full knowledge of these shipments was first made public by International Signal and Control (ISC), the Pennsylvania company bought by Ferranti of the UK in 1987, was reported yesterday as part of a report by the Wall Street Journal, Financial Times and ABC News/Nightline.

Mr Howard Berman, chairman of the international operations subcommittee of the House Intelligence Committee and the author of a new law on missile proliferation, said: "This sounds like a reprehensible operation and it is essential that the Congressional oversight mechanism now come into play."

The FT/ABC investigation found that members of the relevant Congressional Intelligence Committee were not informed by the CIA of any official sanction for such shipments to South Africa in the 1984-88 period.

Mr Berman said he had contacted the chairman and several members of the House Intelligence Committee to demand a full inquiry, adding: "I would be astonished if we did not find this in the most serious way."

Senator Jeff Bingaman, Democratic chairman of the Defence Technology subcommittee of the Senate Armed Services Committee, said he would bring the matter up in the Congress and he clearly need to look into this matter further and try to get to the bottom of

the many questions raised by the investigation.

Like his House counterpart, Senator Bingham said he was discussing the matter with Senate intelligence committee members, including Senator David Boren, the chairman of the committee.

"At a time when the US was trying to slow the spread of missile technology around the world, it appears that the CIA was examining such exports through its silence if not through active involvement."

US officials told the FT/ABC investigation that the CIA did not discuss the USC missile technology shipments.

The CIA declined to comment on the ISC report, but issued a statement in which it said that its policy is "to co-operate fully with the Department of Justice on matters relating to possible violations of US laws."

CoCom eases curb on high-tech sales

LEADING western countries have settled a complex debate over the value of industrial technology to the Soviet Union and former East Bloc, permitting a drastic cut in controls on strategic exports to those countries.

The 17 member nations of CoCom, the Co-ordinating Committee for Multilateral Export Controls, have agreed to scrap their existing complex directory of restricted goods in favour of a simplified list of 10 product categories for which CoCom licences will be required.

This will give Moscow access to much more advanced industrial technology than now allowed by CoCom, which groups all of Nato, minus Iceland, plus Japan and Australia, and exists to stop Moscow and its allies buying militarily useful technology.

But fibre optic cables and night vision equipment proved too useful to Iraq in the Gulf war for CoCom members to agree to limit technology curbs on those those products to at least the same level. Moscow will only be allowed to buy fibre optic cables with a speed of 45 megabits per second or less, equivalent to the

best available in the US 10 years ago and below the level sought by some European countries.

The new core list of controlled products includes nine headings, one less than originally planned and around a third the size of the old curbs. Fast reforming east Europeans like Poland, Hungary and Czechoslovakia, will be allowed to buy goods from the core list as long as CoCom considers they are for civil use.

"The accord aims to erect "higher fences round fewer products", said Mr Allan Wendt, the US state department official responsible for strategic technology policy.

The most important products freed for export include most 32-bit microprocessors, most personal computers, work stations and minicomputers, all but the strongest carbon and polymer fibres, modern machine tools, high power telecommunications switches, and low power solid state optical sensors, most modern airliners, and a wider range of jet and rocket engines than before.

The new technology export curbs are to come into effect on September 1.

EC governments object to Community tax plan

SEVERAL EC governments have objected to a European Commission plan to raise revenue through a Community tax on value added by member states, but the European Parliament more power over budgetary procedures.

Britain, France, Germany and the Netherlands have indicated their opposition to the plan tabled earlier this month by the EC's executive body in the current inter-governmental summit in Brussels.

Such treaty revision requires agreement of all 12 EC states.

Commission officials explained yesterday that by proposing a clause in the Treaty of Rome that the Community's "own resources may include one or more Community taxes", they were only seeking acceptance of the principle of a possible future EC levy. They were not at present proposing any specific EC tax, which would require a further unanimous decision by the Twelve.

The EC budget (running at Ecu60bn or \$41.4bn this year) is currently financed by customs duties, levies on food imports, a portion of member state value added tax receipts (1.4 per cent of the nationally-harmonised Community VAT base), and national contributions calculated according to respective gross national products.

The Commission and the European Parliament have long argued that some more identifiably "EC" source of revenue. But Mr Peter Schmidhuber, the EC budget commissioner, said this week that "it is undeniable that member states have a strong interest in keeping the last word on this sensitive matter".

The other main element in the Commission plan, to which many member states are equally hostile, would give the Strasbourg Parliament a greater say in the annual setting of expenditure ceilings. This new system of five-year plans that would set budget ceilings.

EC ministers near deal to restrain farm spending

EUROPEAN Community officials said yesterday that agricultural ministers of 12 European nations were to begin talks today on the range of a deal on farm subsidies after talks lasting most of the week. **Reporter reports from Brussels.**

Ministers were expected to overcome last obstacles to a deal that would result in a 10% increase in prices for 1991-92, as they resumed work on amendments that Mr Ray

MacSharry, farm commissioner, had called relatively minor.

Last-minute juggling now involves trying to stay within a ceiling of Ecu32.5bn on farm spending, while leaving ministers satisfied that sacrifices are being distributed fairly.

Mr MacSharry said that concessions made so far bring spending right up to the ceiling.

Hungary currency move

The Hungarian government is considering moving forward its considerable currency convertibility take advantage of the country's strong trade performance.

"Within one year we envisage the convertibility of the national currency," Mr Mihaly Kupa, the Hungarian finance minister, said yesterday. Capital movement by Hungarian individuals would be the only

of the founding of the democratic government, would mark a significant post shift. Government and central bank officials generally hold 1983 to be the earliest date at which convertibility could be decided with confidence.

One reason for urgency, according to a prime ministerial aide, is that the West's political will to back such a move is expected to evaporate over the next two years as east Europe falls from prominence.

Spain takes firm stand against rate cuts

THE SPANISH government, setting an aggressive new tone to relations with its partners in the European Monetary System, has said it will refuse to make any further cuts in interest rates, probably for the rest of the year.

The peseta remains the strongest currency in the system in spite of a Spanish rate cut last week.

"We will not cut rates again until we have cut inflation to the average in the EMS or at least until there are unmistakable signs that we are in reach of it," Mr Pedro Ferraz, responsible minister, told the Financial Times yesterday.

Last week's 75 basis point cut in the Bank of Spain's official intervention rate to 12.75 per cent was made to ease tensions with in the exchange rate mechanism of the European Monetary System, he said.

France, in particular, had been pressing Spain to weaken the peseta, which is trading at the top of its ERM fluctuation band against the franc.

"That cut was made exclusively to contribute to the smooth functioning of the system," Mr Perez said. "We would never have done it for domestic reasons. Now it is up to the market to decide."

Mr Perez said Spain wanted its EMS partners to state clearly they would not cut interest rates merely to rescite sluggish national economies. "They need to dispel any doubts about the future trend of interest rates," he said. Yesterday's half point cut in UK rates "will not disturb the ERM," he said.

Inflation is averaging about 4.5 per cent in EMS countries and Spanish consumer prices are rising at 5.9 per cent.

Only the most optimistic forecasts expect the government to meet its inflation forecast of 5 per cent by the end of the year.

Georgia prepares for presidential elections

SOVIET Georgia holds its first presidential elections tomorrow, with Mr Zviad Gamsakhurdia the current incumbent almost certain to win despite accusations that he has dictatorial tendencies and has mismanaged the republic's campaign for independence.

Mr Gamsakhurdia, a former dissident, was elected chairman of the Georgian parliament last October in a poll which ended 70 years of Communist rule.

The five other candidates in the race for executive president include Mr Alexander Adzhava, head of Georgia's Economics Institute, and Professor Nodar Notatadze, both leading advocates of Georgian independence.

The disgraced Communist Party, which has tried to regain its former fortune by dealing in imported cars, has put up its first secretary, Mr Jimmy Mikeladze, who also

says he will work for independence from Moscow.

Mr Gamsakhurdia's opponents have accused him of doing little to advance Georgian independence.

They also say he has made no headway on economic reform to prepare Georgia for independence, and has refused to take part in talks on a common Soviet anti-crisis programme.

Chernobyl cl

AN international study will be Soviet citizens who have partly fallout following the Chernobyl writes David Fishlock, Science

Critics of the International gaged the health of nearly 1m about part of the "sweep" ing much greater exposure.

Japan has offered \$20m for made by the World Health Org contested the findings of the Int

Oil and gas workers seek 100% pay rise

SOVIET oil and gas workers are negotiating a 100 per cent pay rise with the government which would be financed through a big increase in the domestic price of energy, a trade union official said yesterday.

Mr Lev Mironov, chairman of Russia's oil and gas workers union, believed the Kremlin would give in to the demands of his members, rather than

face industrial action in a sector which is the country's main source of hard currency.

He said the government was considering a rise in the wholesale price of crude oil from July to Rhs64 a tonne from its current level of Rhs70, to be followed by a further increase to Rhs160 next year. Representatives from the Ukraine and Azerbaijan were also taking part in the talks, which are due to continue today and possibly on Monday.

Chernobyl clean-up probe

AN international study will be made of the health of some 600,000 Soviet citizens who were participating in cleaning up radioactive fallout from the 1954 Soviet nuclear explosion five years ago, writes David Fishlock, Science Editor.

Critics of the International Chernobyl Project, which investigated the health of nearly 11 million Soviet people in areas exposed to fallout, say these "liquidators" have been ignored, despite receiving much greater exposure.

The study has offered \$20m for a study of the liquidators, to be made by the World Health Organisation. The Soviet Union has contested the findings of the International Chernobyl Project. (1)

Nato blueprint expected to be agreed

A BROAD blueprint for restructuring Nato's armed forces, including formation of a British-led "rapid reaction" corps, is expected to be agreed by defence ministers in Brussels next week.

The plan would involve a complete re-design of current Nato structure in which various national army corps - US, German, British, Dutch and Belgian - are arranged in horizontal layers across the map of what is usually called the "front line".

The new structure will organise Nato forces into three main elements - reaction forces that could be deployed rapidly to Nato's flanks in a crisis; main defence forces, or "augmentation" forces or reinforcements. Like the reaction forces, the main defence forces would consist of a mix of military formations from different member countries.

It would also allow Nato to allocate two divisions to the 70,000-strong corps which would form the land element of the rapid reaction force. These would consist of one armoured division in Germany, compared with three currently maintained there by the US, and a lighter division based in Britain.

The corps would have a further two divisions attached to it, both multinational. One would be air-mobile and include US troops, the other would be unclear whether the US will contribute any troops to this corps, although Britain would like it to.

Additional units could be added to the corps in a period of transition to war.

The planned naval and air elements of the rapid reaction force are still under consideration. The combined force will be under the Supreme Allied Commander in Europe.

currently US General John Galvin.

There will also be a smaller multinational "immediate reaction force", able to move to a trouble spot within a week. This will be based on the already existing Allied Command Europe (ACE) Mobile Force.

The main defence forces would probably involve six corps of mixed nationalities. None would include a UK component, but a UK commitment would be concentrated in the rapid reaction corps, under a British army commander. But Germany is said to be pressing for a more mobile force, with a command arrangement for the corps.

Tuesday's meeting of Nato's Defence Planning Committee is said to establish the main outlines and allocation of tasks. More detailed work on the ground forces will be done Wednesday.

required over the next year or two. Ministers will also have an opportunity to discuss lessons learnt from the Gulf war and review progress on a statement of Nato's new military strategy. This was originally expected to be discussed at the meeting. It is not now expected to be ready until the autumn, in tandem with review of the alliance's broad political aims and more detailed re-working of Nato military doctrine.

There will also be a clearer stockpiles in Europe and a platform for US-Soviet negotiations on short-range missiles will also be discussed by the ministers in a Nuclear Planning Committee meeting on Wednesday. But no decisions are expected.

Germany said yesterday it planned to close a third of its military bases in western Germany because the Cold War is

Decision soon on Soviet G7 role

The Group of Seven industrial nations should decide by the middle of next month on its general approach to the Soviet request for economic aid and President Mikhail Gorbachev's desire for an invitation to the 37 summit in London in mid-July.

A meeting of the sherpas, or personal representatives of heads of government who prepare the agenda for the summit, will be held in Britain on June 7-9 under chairmanship of Mr Nigel Wicks from the UK Treasury. Until then the leaders - from the US, Japan, Germany, Britain, France's agents, Italy, Canada and the Soviet Union - will be asked to play for time on Soviet aid.

US and British officials have been dubious about the advantages of inviting Mr. Gorbachev unless there is a firm commitment to specific and credible reforms. But the very prominence which the possible invitation has assumed makes it more difficult for G7 leaders to turn him down without appearing to snub or undermine him.

Mr. John Major, Britain's prime minister and this year's summit host, and US President George Bush have deliberately not ruled out an invitation.

One option being discussed is that Mr. Gorbachev might be invited to address the summit from the main summit. There is strong opposition to his attending the main meetings as a full participant both because of fears he would dominate proceedings and push out other urgent issues such as the United Nations talks and global recession and because of worries about creating a precedent for future years.

● Mr Gorbachev yesterday met leaders of nine Soviet republics to discuss a final draft of a new union treaty, which would give them a clearer final legislative obstacles to next month's presidential elections in the Soviet Union's largest republic.

Schlesinger may head Bundesbank

IT LOOKS increasingly likely that Helmut Schlesinger, vice-president of the German Bundesbank, will take over as president for an interim two-year period following the decision of Mr. Karl Otto Pöhl to leave the central bank's top job in October.

Mr. Schlesinger, who is 66 and only 16 months away from the Bundesbank's nominal retirement age of 68, would then be replaced by Mr. Hans Dietmeyer, the 59-year-old director of the bank's foreign member for international affairs and a close adviser to Chancellor Helmut Kohl.

The appointment of Mr. Schlesinger, now seen as a near certainty in Frankfurt,



Cresson orders rethink on Bull

URS Edouard Cresson, France's new Prime Minister, is reconsidering plans for NEC, the Japanese electronics group, to leave the state in Paris, the loss-making state-owned computer maker.

The rethink comes as an unwelcome hitch to Bull, only a few more months away from the Paris administration gave it the go-ahead to open negotiations with NEC. These were supposed to have been underway a few days ago in response to the arrival of Mr. Cresson, a harsh critic of Japanese trade practices.

Mrs Cresson has asked Bull for more detail on its Japanese partner's intentions and the likely impact of NEC's entry into the group, said a senior NEC official. The Japanese wanted to be assured that Bull's long-term independence will be assured.

Mr Cresson's decision, due within days, will be the first test of Mrs Cresson's tough industrial policy of galvanising French business into resisting Japanese competition.

Mr Pierre Bérégovoy, the Finance Minister, has in the past been keen to open the way for private companies to take at least minority stakes in state businesses, if only to counter the Japanese government's demands on the state budget.

Only last month, the government earmarked FF44bn (400m) for a special fund for Bull. Following the announcement of a record FF6.6bn loss for 1990.

Bull was only recently insisting that it would complete its link with NEC on target by late June.

NEWS IN BRIEF

Irish to take charge of Dublin stock exchange

The Dublin stock exchange, affiliated to the London stock exchange since 1973, is to come under Irish jurisdiction, Reuters reports from Dublin.

The Central Bank of Ireland will approve the rules of the Irish Exchange and license its members, said Mr. Aileen Lynch, finance minister. Supervision and enforcement of Dublin exchange rules are at present partly carried out by the London exchange. The changes applied only to regulation and supervision and would not affect operational links between the two exchanges, Mr. Reynolds said.

Zulus defiant on weapons

Zulu leaders attending a South African government-sponsored peace conference yesterday adopted war-like tones and pledged to continue carrying "cultural weapons", setting them on a collision course with the rival African National Congress, writes Patti Waldmeir in Pretoria. They have called Zulus to a rally at a soccer stadium near Soweto tomorrow, and instructed them to come in traditional attire, which would include spears, clubs and axes.

Bangladesh presses for aid

Bangladesh, struggle to recover from floods, will seek \$2.4bn aid for development projects and imports in the 1991-92 fiscal year, Finance Minister Saifur Rahman said yesterday. Reuter reports from Dhaka. Bangladesh would also seek a separate fund to rebuild the cyclone-battered economy, he said before leaving for an aid consortium meeting in Paris.

Hong Kong increases rates

Hong Kong's interest rates are being raised by 1 percentage point to 10.5 per cent, and HK\$100m (27.6m) has been withdrawn from the colony's banking system, as part of a new government strategy aimed at curbing inflation, writes John Elliott in Hong Kong. Inflation last month reached an annual rate of 13.9 per cent. Sir Piers Jacobs, financial secretary, is to unveil a further package of measures next Wednesday.

French economy flat

France's economy stagnated in the first quarter of this year, escaping by a whisker from falling into the economist's definition of a recession, writes George Graham in Paris. Gross Domestic Product had fallen by 0.2 per cent in the fourth quarter of 1991, and a second consecutive quarter in decline would officially have constituted a recession.

INTERNATIONAL NEWS

Victory for Bush in bitter battle over 'fast-track'

By Nancy Dunne in Washington

THE SENATE yesterday voted through the "fast-track" trade authority, the administration needs to negotiate in the Uruguay Round of world trade talks and to launch negotiations for a North American Free Trade Agreement.

The vote, 59 to 36, is an important victory for President George Bush and follows approval in the House of Representatives on Thursday. It gives the president two more years to negotiate trade agreements which Congress must accept or reject in total.

The vote to extend authority was initially seen as uncontroversial but the issue blew up into a bitter battle.

After a decade of defeats at the hands of the Republican administrations, labour mobilised against fast-track and argued that free-trade with Mexico would destroy manufacturing jobs in the US. The recession and declining employment fuelled the argument.

The Administration's authority to negotiate under the fast-track expired on March 1. Well before then the Administration marshalled its forces for a fight to get the fast track through.

President Carlos Salinas de Gortari, the Mexican president, joined the effort in the US. The

approval of fast-track is a tremendous boost to his domestic fortunes.

Mrs Carla Hills, the US Trade Representative, made dozens of speeches, met every member of Congress and appeared before a dozen Congressional committees, arguing, placating, promising a major Congressional role in the negotiations. She did nothing else for the past three months, saying if the fast-track issue was lost she might as well close down and go home.

The turning point came on May 1 when the Administration released an "action plan" promising to address job, health and safety and environmental concerns. It brought to the president's side Congressman Richard Gephardt, the House Majority Leader, who reportedly took with him 30 votes. A change of 20 votes in the House would have defeated the fast-track.

It all left the Administration a big winner, albeit with a difficult negotiating job ahead, and Mr Gephardt in trouble if he intends to run once again for president. The labour-family farm coalition which supported him in his last run is now on the lookout for another candidate.



Japanese rice farmers protesting against the US

UK-EC tensions grow over Japanese car sales

By Kevin Done, Motor Industry Correspondent

MR Peter Lilley, UK Secretary of State for Trade and Industry, has written to the European Commission calling for explicit assurances about the EC's current negotiations with Tokyo on the vexed issue of Japanese car sales in Europe.

The UK is concerned the Commission is seeking implicitly to include Japanese cars produced in Europe within its planned scheme for limiting Japanese car sales in the EC.

Mr Lilley has written to both Mr Frans Andriessen, commissioner for external affairs, and Sir Leon Brittan, competition commissioner. The move intensifies tensions between the UK and in particular France and Italy over EC treatment of European-built Japanese cars in the single European market.

The present bilateral restrictions between Japan and five countries, France, Italy, Spain, Portugal and the UK, are due to be removed at the end of 1992. But the Commission has been unable to come up with terms for a transition period moving from a restricted to a free market for cars in Europe that would be acceptable in London, Rome and Paris, as well as Tokyo.

The UK is insisting there should be no link, explicit or implicit, between sales of Japanese cars produced in Europe and cars imported from Japan. The UK is championing Japanese interests as the three leading Japanese car makers, Toyota, Nissan and Honda, are all developing their first European car assembly plants in the UK with a total investment of more than £1.8bn.

These were understood to include a transition period until 1998 or 1999 during which Brussels and Tokyo would monitor Japanese car sales in the EC, including both shipments from Japan and those produced in Europe. By the end of the period Japanese car sales in the EC would be about 2.5m compared with about 1.3m last year, when Japanese car makers accounted for 10.1 per cent of EC new car sales.

Mr Lilley told Mr Andriessen the UK cannot accept any link between Japanese imports and so-called "transplant" production in Europe that would interfere with Japanese car makers' commercial or industrial decision-making at their European plants, or that would deter further investment.

The UK has told the Commission it would consider any restriction on total Japanese car sales in Europe which included both direct imports and transplant production to be in breach of the Treaty of Rome.

Its fears have not been allayed by a recent statement by Sir Leon Brittan, even though it was aimed at giving some reassurance to London.

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Eritrea poses most thorny issue at London peace talks

By Julian Ozaane in Addis Ababa

THIS combatants in Ethiopia's long and bloody civil war will have a chance to prevent the disintegration of their country when they begin peace negotiations in London tomorrow.

A lot rests on the US-sponsored talks: life for up to 7m people facing starvation this year, the future of Ethiopia as a nation state and the political and economic stability of the entire East African region.

Rebels of the Ethiopian People's Revolutionary Democratic Front have continued to inch closer to the capital. Yesterday they took more territory in the south in an effort to surround it. Assurances the rebels will not enter the capital before the London talks appeared to be holding.

The departure of former president Mengistu Haile Mariam has removed an obstacle to peace. But forging a settlement out of the divergent demands of the groups will not be easy. Nor will the task of agreeing a broad-based provisional government to pave the way for elections and internationally monitored elections.

The most difficult issue in London, where the main rebel groups will meet the prime minister Mr Tesfaye Dinka, will be the secession or independence of Eritrea. For 30

years the EPLF rebels have fought for independence against a government bent on the territorial unity of Ethiopia and on keeping its coastline.

The international community does not want to fragment Ethiopia, or open the door to border disputes throughout Africa, and no foreign nation has supported the EPLF's demands. But the EPLF controls most of Eritrea and it is accepted there will have to be a referendum on independence.

A tortuous web of demands and conflicts will make agreement difficult.

Most Ethiopians and the international community hope a new democratic Ethiopia helped with foreign investment and aid would entice Eritreans to vote against secession.

The EPRDF, a coalition dominated by the Tigray People's Liberation Front, has been the most successful military organisation. TPLF troops are pressing Addis Ababa from three sides. They have fought for 17 years, demanding a transitional democratic government of all opposition forces.

Until recently they espoused an Albanian style of statism but they appear to be moderating their position to what their congress called "a revolutionary democratic political system" and a "revolutionary democratic economy".

But it is their demands for a transitional settlement which must be resolved in London. The government will have to agree to share power with opposition groups and address the EPRDF's transitional demands including the restoration of democratic rights and an international peace-keeping force inside the country.

The final issue is the question of self-determination for Ethiopia's ethnic groups. Several, including the Afars, Ogadeni Somalis, Oromos, Tigrayans and Eritreans have expressed sentiments for self-determination. Federal and confederal arrangements, autonomy, and the free development of ethnic language and culture will also be issues.

In this complex web of demands and conflicts there is plenty of room for the talks to fail. There are signs of compromise, but there may be insufficient desire to swallow the pride, hostility and entrenched positions built up over years.

Delors plans closer links with Tokyo

By Stefan Wagstyl in Tokyo

MR Jacques Delors, president of the European Commission, yesterday revealed plans to establish a high-level task force to examine areas of political co-operation between the EC and Japan.

The group would seek ways of putting into effect a declaration the two sides intend to adopt later this year pledging closer political co-operation. It is meant to match a similar declaration last year by the EC and the US.

Mr Delors' plan, presented to Japan at meetings with Prime Minister Toshiki Kaifu, is one of the few concrete results of his three-day visit to Tokyo, the first by an EC president for five years.

The text of the declaration itself has yet to be agreed by the two sides and is the subject of tough negotiations, with Tokyo trying to stress its political content and Brussels seeking commitments to improve economic relations, including cutting Japan's trade surplus with the EC.

Mr Delors issued tough public warnings about the trade imbalance. But he avoided arguments with Japanese officials, broadening discussions to aid for developing countries and energy.

HK calls on turtle heroes in real-life tariff battle

US-China row may hit jobs, writes John Elliott

THE PRODUCTION of Teenage Mutant Ninja Turtles and other Hong Kong goods will move from southern China, threatening thousands of jobs in Hong Kong, if US President George Bush fails to extend China's most-favoured-nation trading status this year.

Playmates International of Hong Kong would switch production for the US market of its mutant heroes from southern China to the Portuguese enclave of Macao.

Other Hong Kong companies using cheap labour in southern China say they will have to make more drastic moves. Some, like Kader Industrial which makes toys for Mattel, Hasbro and other US companies as well as its own train sets, plan to diversify further afield to Thailand and maybe Indonesia. Others, in textiles, may go out of business.

The loss of MFN status would push US import duties for China's exports sharply higher from well below 20 per cent to 35-50 per cent.

Duty on Ninja Turtles would go up from 6.5 per cent to 70 per cent, which Mr Paul Kwan, Playmates joint managing director, says would "not be commercially viable". By comparison, moving production to Macao would add only about 10 per cent to production costs.

All this spells big problems for Hong Kong, the entrepôt for southern China. In the past few years thousands of Hong Kong companies have moved labour-intensive products to the Chinese side of the Pearl River Delta where it is estimated they employ some 2m workers. They cannot move back because Hong Kong has no surplus labour.

"Hong Kong would be dealt a devastating economic and political blow," says Mr Warren Williams, president of the local American Chamber of Commerce. He has just returned from one of a series of Hong Kong lobbying missions to Washington. Senior government trade officials go next week, followed by a business group led, among others, by Mr William Purves, chairman of the Hongkong Bank.

They will argue that proportionately Hong Kong would be



Cowabunga! HK is looking to Ninja Turtles to save jobs

harder hit than China. In the medium term, loss of MFN could do more harm to confidence and the economy than cancellation of the colony's proposed HK\$100bn (£7.5bn) airport, which is held up because of a row with China.

The government estimates that Hong Kong's economic growth, expected to reach 3.5 per cent this year, would be cut by 1.3-1.8 per cent and that 32,000-43,000 jobs could be lost.

Hong Kong's re-exports to and from China of raw materials, components and finished goods, which totalled HK\$38bn last year, would be cut by 33-44 per cent. That would reduce Hong Kong's overall trade by 5-7 per cent or about HK\$70-90bn a year, based on this year's figures. These are direct effects. The sums would be larger if China reduced its general imports and investment slumped.

Hong Kong's re-exports with China have been playing an increasingly vital role in its economy. The trade flows to China comprise raw materials travelling through Hong Kong, and semi-manufactured goods originated overseas or in Hong Kong. After processing, finished or semi-finished goods flow back through Hong Kong where they sometimes receive final treatment or packaging.

The government estimates that about 54,000 of Hong Kong's 2.7m workforce are

involved, making a HK\$12.1bn value-added contribution to Gross Domestic Product. The entrepôt role also provides the base for other Hong Kong activities ranging from product design to financial services.

In 1989, China-originated goods going to the US totalled HK\$32bn, which was about a third of the China re-exports and 20 per cent of Hong Kong's total re-exports. Put another way, 93 per cent of Hong Kong's re-exports to the US came from China.

The main products involved were: electrical appliances and electronics which represented 21.2 per cent of the total last year; toys, games and sporting goods (20.7 per cent); clothing (18.4 per cent); footwear (11.1 per cent); and travel goods and handbags (6.6 per cent).

The estimated losses to the economy are based on predictions by companies such as toy manufacturers, which say they would stop manufacturing in China within two years and move elsewhere.

Many companies, however, will carry on doing varying degrees of manufacturing on contract in southern China, while ensuring that the goods finish up with origin marks from Hong Kong or elsewhere. Others will try to absorb the extra costs if they are at the bottom end of the tariff range.

Hong Kong's main worry is that it may not make the same impact on the MFN debate as last year, when it first swung into action. "We hit Washington late in the argument in May last year - now the novelty has worn off," says Mr Williams.

"They have had our figures and arguments for a year and our opponents - trade unions like the AFL-CIO, the textile lobby, and others - have replied prepared and are ready to challenge us."

The risk is that uncertainty will lead companies gradually to withdraw from Hong Kong, already being undermined by its 1997 return to Chinese sovereignty. "Companies are saying they can't continue year by year with the MFN uncertainty," says Mr Williams. "They want a 10-year view that their investments are safe, not an annual MFN fight."

Girobank

Girobank announces that with effect from close of business yesterday (24th May 1991) its Base Rate was reduced from 12% to 11.5% per annum.

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ANZ Grindlays Base Rate

ANZ Grindlays Bank plc announces that its base rate has changed from 12% p.a. to 11.5% p.a. with effect from 24th May 1991.

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Base Rate is decreased from

12% to 11.5%

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Yorkshire Bank

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Roh appoints new South Korean PM

By John Ridding in Seoul

MR Roh Tae Woo, South Korea's president, yesterday named a conservative former education minister as his new prime minister as his first step in a cabinet reshuffle aimed at ending a wave of demonstrations and improving the standing of his government.

Mr Chung Won Shik, the new premier, will replace Mr Ro Jae Bong, who resigned on Wednesday after weeks of protests by students and dissidents.

The protests, the largest since the introduction of democracy in 1987, have been fuelled by the death of a university student at the hands of riot police in late April.

"The cabinet reshuffle will be aimed at calming popular passions following a series of demonstrations," said Mr Lee Soo Jung, the presidential spokesman. "The new cabinet will carry out national policies with new faces."

Opposition groups reacted angrily to the appointment of the new prime minister. They denounced him as a hard-line conservative and pointed to his stand against the formation of unions by teachers during his tenure as education minister between 1988 and 1990.

The New Democratic Party, the largest opposition party, said that by appointing Mr Chung "the present regime is betraying the people and their wish for an end to police rule."

Chonminyon, Korea's largest dissident group, said the appointment would not solve any of the country's political, economic and social problems. Despite the angry reaction of opposition groups, western diplomats and political analysts believe that this spring's wave of demonstrations, which have seen more than 100,000 protesters take to the streets on several occasions, may now have peaked.

Base Rate Change

With effect from the close of business on Friday, 24th May 1991 Co-operative Bank Base Rate changes from 12.00% p.a. to 11.50% p.a.

THE CO-OPERATIVE BANK

Co-operative Bank p.l.c. P.O. Box 101, 1 Balloon St., Manchester M60 4EP. TEL. 061 832 3456

Bank of Ireland Base Rate

Bank of Ireland announces that with effect from close of business on 28th May 1991 its Base Rate is decreased from 12.00% to 11.50%



Bank of Ireland

Area Office, 36-40 High Street, Slough, Berkshire SL1 1EL

UK NEWS

THE BLUE ARROW TRIAL

Lack of notes from key meetings defended

By John Mason

AN allegation that senior executives of National Westminster Bank failed to keep notes of meetings concerning the 1987 Blue Arrow rights issue because the buying of shares by advisers was irregular was denied yesterday by Mr Charles Green, a former NatWest deputy chief executive.

Mr Green agreed with Mr Alun Jones QC that no notes were kept at two meetings held on September 23, the day after the issue closed.

At one, Mr Green, Mr John Plastow, a former NatWest director, and Mr Terence Green, another former NatWest deputy chief executive, met Mr Nicholas Wells and Mr David Reed, former County NatWest directors and two of the defendants, and were assured the holdings were legal, the court heard.

Both Mr Charles Green and Mr Terence Green later met the three NatWest deputy chairmen, Lord Harrowby, Sir Philip Wilkinson and Sir Edwin Nixon.

It was unusual not to keep such notes, Mr Green said. But

the matter was "highly sensitive and confidential".

Mr Jones, for Mr Stephen Clark, a County director and one of the defendants, challenged him: "The reason why no notes were kept was because it was perceived by Mr Plastow, Mr [Terence] Green and you that what had gone on on the 23rd was irregular and unusual and NatWest Bank senior management thought it best not to make a record of what it was told."

Mr Green replied that had that been his view, he would not have written a report on the outcome of the issue to Mr Thomas Frost, the NatWest chief executive.

Mr Green said he had both telephoned Mr Frost, who was abroad, and then, on October 6, written him a report on the situation. This report, submitted to the DTI shortly before he gave evidence, had not been kept with other papers in the Blue Arrow file, he said.

Mr Jones said NatWest had been in an "enormously powerful" position to defend itself over the Blue Arrow affair at

the expense of County, by controlling which documents were presented to the Department of Trade and Industry investigation.

Mr Green responded: "The thought never crossed my mind." That influence was not used and all files were given to the DTI, he said.

Earlier, Mr Green told Mr Nicholas Purnell QC, prosecuting, that he, Mr Terence Green and Mr Plastow questioned both Mr Reed and Mr Wells about the legality of the holdings.

They were satisfied with their answers, he said, but went on: "Perhaps we did not probe as deeply as we might."

Mr Green, who resigned after the publication of the DTI report into the affair, said: "It was an unusual arrangement to say the least."

County NatWest, NatWest Investment Bank, UBS Phillips & Drew Securities and seven individuals deny the holdings were part of a conspiracy to mislead the markets over the outcome of the issue. The trial continues on June 4.

IoS loses independence and editor

Merger of newspapers divides founders, reports Raymond Snoddy

AT 4.30pm yesterday Mr Stephen Glover addressed the staff of The Independent on Sunday and told them he was leaving. He will stay only to edit the paper this Sunday and next - the last two Sundays before the paper is integrated with its daily sister, The Independent, which Mr Glover founded with Mr Andreas Whittam Smith and Mr Matthew Symonds in October 1985.

"I am terribly sad. Not just to be leaving the editorship but also the paper I helped to create," said Mr Glover, just before announcing his resignation to the staff.

At last week's board meeting Mr Glover argued to maintain a separate Sunday paper but to make about 17 staff redundant. Further savings would come from halving the annual promotional budget of between £2m and £3m.

Another option before the meeting was to close The Independent on Sunday, whose losses are now running at around £2m a year. The board decided on integrating the two papers, with the loss of 35 journalists' jobs.

Stories of crude coups by one founder against another seem overdone. But clearly Mr Whittam Smith believes that the Independent on Sunday will benefit from coming under his direct editorial control. As a result Mr Glover's editor's chair has gone and, although

JOURNALISTS on The Independent yesterday accepted in principle the terms of the voluntary redundancy scheme. The scheme gives a minimum of six months' pay for those leaving plus an additional £2,000 for those who work

the possibility of another role in the paper has been raised, all the signs are that Mr Glover no longer feels able to work with his fellow founders.

Mr Whittam Smith, chief executive as well as editor of The Independent, sees the atmosphere of near hysteria over the integration of the two titles very differently. There is nothing so conservative, he believes, as his journalistic colleagues.

"Produce three or four issues of the paper and it becomes a sacred object. There are no sacred objects in journalism. Everything has to change and evolve," said the main founder of The Independent.

The Independent on Sunday, launched in January 1980, is now selling around 375,000 a week. Mr Whittam Smith is tackling its reorganisation under the pressure of the deepest advertising recession for nearly 30 years.

Over the next couple of weeks UK news, foreign, business and sports departments will be merged, but not arts or features. Journalists in the

merged departments will provide seven-day news coverage, with each journalist working five days a week.

The 35 voluntary redundancies among journalists are being sought by Tuesday week, with another 30 from the rest of the company - 65 jobs out of a total staff of 840.

Outside the UK seven-day newspaper operation is not unusual. That is how the New York Times, the Washington Post and the Los Angeles Times are produced. And one of The Independent's continental European shareholders, the Spanish paper El Pais, has a successful integrated system, with the Sunday paper selling nearly three times the daily's circulation of around 330,000.

The only British example is the Daily and Sunday Telegraph, where initially partial integration caused chaos and resignations. Now that the dust has settled only about half the planned £1m-a-year savings have been realised.

Integration at The Independent is part of a broader review of costs in a business with an

annual turnover of £25m. It will include looking at printing and distribution arrangements and buying newspaper jointly with El Pais and La Repubblica of Italy. These papers together invested more than £20m in The Independent last November. The aim is to save around £1.75m a year while waiting for the recession to end.

Newspaper Publishing, The Independent's holding company, had pre-tax losses of around £3.9m in the year to September 1990 before exceptional £2.5m pre-launch costs for The Independent on Sunday. This year's group result looks like being worse.

Was Mr Whittam Smith wrong to launch The Independent on Sunday against the now defunct Sunday Correspondent? All he will say now is that the daily was launched at a "supremely fortunate" moment into a very strong advertising market. The Sunday was launched in very difficult conditions. So he believes the breaks even out.

"We will be back in profit from the moment that the recession is clearly over," Mr Whittam Smith forecasts.

But as there are few signs of the recession ending could The Independent on Sunday still be vulnerable even after integration? "There is no danger whatever unless we have another Gulf war and it lasts a year," The Independent editor says.

GRE hopes to raise record £38m with sale of farmland

By Vanessa Houlder, Property Correspondent

GUARDIAN Royal Exchange, the insurance company, is attempting to make the highest value sale of agricultural land yet seen by the market with the disposal of 22,500 acres of East Anglian farmland.

The sale, which is expected to raise about £38m, follows a trend of disinvestment in farmland by City institutions amounting to 250,000 acres over the past five years.

GRE said that its decision followed a strategic review which prompted it to concentrate on its core assets, rather than diversify into agricultural holdings that represent just 4 per cent of its £1bn commercial property portfolio.

In general, the disinvestment by City institutions is a measure of how badly agricultural land has performed since the 1970s when it was bought as a hedge against inflation.

Between 1984 and 1989, the value of tenanted farms halved because of pressure on farmers from the Common Agricultural Policy. Investment values rose slightly in the past two years.

The value of farmland with vacant possession, like that being sold by GRE, has suffered less in the 1980s because of the popularity of farm ownership among business people.

After rising by between 40 per cent and 50 per cent from 1987 to the start of 1989, values then fell about 25 per cent.

Savills, the land agent which is marketing the land worldwide with Raynham & Hall, said the buyer was likely to be a corporation rather than an institution.

Mr Henry Richards of Savills said the sale was so unusual that it was unlikely to depress prices of first-rate farmland, although it might have an effect on poorer-quality farms.

British Field Products, the GRE subsidiary being sold, comprises 11 farms in Cambridgeshire, Norfolk and Lincolnshire. The land, which is good-quality, is used for high-value products such as potatoes and sugarbeet, and made a profit of £2.6m on a turnover of £10.6m last year.

Tories launch offensive as Labour lead widens

By Ivo Dawney, Political Correspondent

THE Conservatives' summer offensive against Labour opened yesterday as party image-makers struggled to launch their attacks against evidence showing the opposition stretching its poll lead.

The NOP/Independent opinion poll showed Labour on 44 per cent and the Tories down 5 points at 36 per cent, giving Labour its largest lead since Mr John Major entered Downing Street last November. Its impact was partly offset by yesterday's half percentage point interest rate cut.

The Tory leadership yesterday set in motion the strategy agreed at a Cabinet meeting on Thursday with an assault on Labour's policy and spending priorities by Mr Chris Patten, the party chairman.

Publishing a dossier of quotations from Labour's frontbenchers and its policy documents, Mr Patten argued that the opposition's spending plans conflicted with its promises of prudent handling of the economy.

"Their Treasury spokesmen

claim that only pensions and child benefit are 'priorities' and everything else has to wait 'until resources allow', he said.

"Yet other shadow spending ministers tour the country promising more money for everything under the sun," he added.

Claiming that the plans "don't add up", Mr Patten suggested that Labour would have to increase taxes substantially to pay for its programme.

Mr Michael Heseltine, the environment secretary, also used a speech in Middlesex to paint a positive picture of the Tories' week.

He told his audience that inflation had fallen by the largest monthly figure for a decade while the government had announced initiatives on education, training and cleaning up the inner cities.

Mr Roy Hattersley, Labour's

BBC agrees to new work pattern talks

The British Broadcasting Corporation

agreed yesterday with unions to hold fresh negotiations on a broad package of new working patterns and conditions of service. The move came after employees voted against BBC proposals.

The Beta staff union said "significant progress" had been made at talks yesterday.

The two sides will try to reach agreement by July 1, when the BBC has said it will consider implementing a new grading system.

PO and unions both claim strike success

THE SECOND day of a three-day strike in selected areas by counter staff at main post offices ended yesterday with the Union of Communication Workers claiming strong support and Post Office management saying it was crumbling.

An all-out four-day strike of counter staff is due to start on Wednesday. The action is over a 7 per cent pay offer which the union rejected.

The collection and delivery of mail is unlikely to be affected.

Tebbit cleared of libelling councillor

MR Norman Tebbit, the former Cabinet minister, was cleared of libel and slander yesterday when a High Court jury rejected a damages action brought by Mr David Bookbinder, Labour leader of Derbyshire County Council.

The jury decided that the former Conservative Party chairman did not defame Mr Bookbinder when he said the council's decision to spend £50,000 on over-printing school stationery with the slogan "Derbyshire County Council supports nuclear free zones" was arguably a "damn fool idea". Mr Bookbinder faces an estimated £130,000 bill for the costs of the case.

The jury dismissed a union-backed action for damages for breach of contract brought by maintenance workers and cable operators made redundant at the company's Southampton plant in 1989.

They had contended that a provision in collective agreements that selection for redundancy should be on the basis of seniority alone had been incorporated into their individual contracts of employment.

Mr Justice Rouse said that, although some collective provisions formed part of individual contracts, there was no express incorporation of the seniority provisions and no basis for inferring such incorporation.

He said the wording of the critical paragraph in one of the



Independent eye: Andreas Whittam Smith and Matthew Symonds pictured by the paper's photographer John Voos

Shipyard workers end two-week pay strike

By James Buxton, Scottish Correspondent

WORKERS at the Kvaerner Govan shipyard in Glasgow will return to work on Monday after calling off a two-week strike and accepting terms they had earlier rejected.

The manual workers voted by 653 to 414 at a mass meeting yesterday to accept a 21-month pay and conditions deal after the Norwegian-owned company withdrew dismissal notices which it issued last Friday against 1,600 workers.

The company said yesterday that the outcome was "not a victory for either party". Union leaders conceded privately it was a defeat for them.

The strike began two weeks ago when workers voted narrowly to reject an offer recommended by their union officials which provided for pay increases of 6.4 per cent and 4.4 per cent over 21 months and higher overtime payments,

as well as a move from four night shifts a week to five.

Last Friday management dismissed all the manual workers and said it would end an enhanced redundancy scheme which it had extended to mid-1992. It said the scheme gave "destructive elements" an incentive to force the company into a situation in which redundancies were inevitable.

The management also said it wanted the night shift to be worked in the evening instead. Talks between the two sides were held this week under the auspices of Acas, the Advisory, Conciliation and Arbitration Service.

Under the terms agreed, the basic package remained the same. The redundancy scheme was reinstated until next year but will not apply to workers who go on strike. The change in the timing of the late shift has been accepted.

TWA workers to vote on industrial action

By Diane Summers, Labour Staff

TRADE unions representing UK employees of Trans World Airlines, the heavily indebted US carrier, are to ballot members on industrial action over the transfer terms of Heathrow routes to American Airlines.

TWA's three main US-London routes are due to be taken over by American on July 1. A vote for industrial action could disrupt flights before that date. Unions want their terms and conditions of employment to be transferred intact but the American is insisting that the 294 TWA staff at Heathrow sign new contracts.

The transfer will end union recognition and mean that staff will, in practice, work an hour extra a week. American Airlines has said terms and conditions would be broadly similar to TWA's. A problem over the payment of a shift premium had been resolved and

feedback from staff was positive, said American.

The unions said yesterday that a mass meeting of ground staff, engineers and sales and reservation staff had voted unanimously to hold the strike ballot over the next fortnight.

Unions involved are the TGWU general union, AEU engineering union and MSF general technical union.

Mr George Ryde, TGWU national secretary for civil aviation, said members had been badly let down by TWA. "They have had no guarantees about their future employment and terms and conditions when the transfer of routes to American Airlines takes place at the beginning of July."

Unions representing American Airlines workers in the US had pledged support, Mr Ryde said.

TWA declined to comment.

Staff lose STC redundancy claim

By Raymond Hughes, Law Courts Correspondent

A CLAIM that Standard Telephone and Cables should have selected employees for redundancy on a "last in, first out" basis was rejected by the High Court yesterday.

The court dismissed a union-backed action for damages for breach of contract brought by maintenance workers and cable operators made redundant at the company's Southampton plant in 1989.

They had contended that a provision in collective agree-

ments that selection for redundancy should be on the basis of seniority alone had been incorporated into their individual contracts of employment.

Mr Justice Rouse said that, although some collective provisions formed part of individual contracts, there was no express incorporation of the seniority provisions and no basis for inferring such incorporation.

He said the wording of the critical paragraph in one of the

collective agreements was too weak in the context of the agreement as a whole to support the inference of incorporation. The relevant sub-clause in the other agreement also was not sufficiently cogently worded for such an inference.

The judge said that, in deciding who should be selected for redundancy, STC had taken into account length of service, skill, aptitude, performance, attendance record and work-approach.

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Notice is hereby given that in accordance with article 5 of the Conditions of Administration, the Annual General Meeting of Holders of Depositary Receipts of IPNA 2 N.V. will be held on June 12th, 1991, at 11.00 hrs, at the office of the Secretary in Amsterdam, Netherlands 200 in order to review the annual accounts of IPNA 2 N.V. 1990.

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SALEROOM

Italian altarpiece sells for £1.98m

THE Bromley Davenport Altarpiece, painted in Florence around 1325 by Taddeo Gaddi, and bought by the Bromley Davenport family at Christie's in 1947 for 125 guineas, was sold

by their trustees yesterday at Christie's for £1.98m. The price was almost twice the estimate and confirmed that demand is still strong for traditional antiques

such as Old Master paintings, silver and furniture. The Old Master auction totalled almost £10m, with 14 per cent unsold.

Gaddi was a pupil of Giotto and probably painted the five-section altarpiece for the Loggia chapel in the church of Santa Croce. It depicts four saints ringing Jesus as the Man of Sorrows and came to the UK in the 1790s.

There was good interest in three Venetian views by Luca Carlevaris. The best

sold within estimate for £660,000 (against a price of £53 at Sotheby's in 1936). The other two paintings far exceeded their forecast, each selling for £451,000.

A view of the Rindes falls at Lauterbourg in Switzerland made £680,000 and The Last Communion of Saint Mary in Egypt, by Sebastiano Ricci, made £286,000, slightly below forecast.

Antony Thorncroft

School admission rules clarified

By Andrew Adonis

LOCAL authorities are legally obliged not to discriminate against children living outside their boundaries in giving access to their schools, the High Court ruled yesterday.

In two separate actions, the court held that the London borough of Bromley was wrong to exclude children from outside the borough, and that Kingston upon Thames council was correct to open its schools to children from neighbouring boroughs.

In the Bromley case, parents from neighbouring Labour-controlled Greenwich applied for their children to attend schools in Conservative-controlled Bromley, but were refused places by Bromley council.

Lord Justice Watkins, sitting with Mr Justice Owen, ruled that this action was illegal. He said councils were under a "clear duty" to open schools to children within and those without the area of the local education authority.

In the second case, a parent sued Kingston council for broadening its admissions policy to allow children from neighbouring boroughs to enter its grammar schools. Kingston had adopted this policy after a 1989 Court of Appeal decision, and Lord Justice Watkins held that it was right to do so.

Mr Paul Clarke, Conservative leader of Kingston council, said after the ruling: "It emphasised that the government needs to put through an amendment which allows local authorities some element of discretion." He said the council had fought to retain its grammar schools and local people who had elected the council for that reason were now being penalised.

Doubts on Scots power share prices

By Juliet Sychrava and Claire Pearson

THE City expects the government to drive a hard bargain with investing institutions when it prices shares in the two Scottish electricity companies next week.

It appears the yield on the shares will be set at about 5 per cent, after institutions were yesterday told to bid for underlying next week within a range of 4.6 to 5.4 per cent. Some analysts say this pricing is not generous enough to prompt an early rise in share prices when trading starts.

Results of an initial round of bidding by institutions this week showed limited demand for the shares at lower yield levels. However, at 4.8 per cent there was adequate demand to sell all the shares, and more than 5 per cent were more than once subscribed.

Several brokers not connected with the flotation say the shares do not look attractive compared with those in the two generating companies and 12 regional electricity companies of England and Wales.

Hoare Govett does not recommend buying if the shares yield below 5.2 per cent, and James Capel says that if the yield falls below 5.5 per cent, other electricity companies will be better value.

The second and final round of institutional bidding takes place on Tuesday. The government will base the offer price of the shares on the result, but is expected to drop that price to attract private investors.

Public interest in the sale has not picked up as much as expected over the past two weeks.

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UK NEWS

CBI INDUSTRIAL TRENDS SURVEY

Manufacturing orders continue to deteriorate

By Andrew Taylor, Construction Correspondent

INDUSTRY is likely to press the government for further reductions in interest rates as manufacturing orders and output continue to deteriorate, according to the latest industrial trends survey from the Confederation of British Industry.

Mr David Wigglesworth, chairman of the CBI's economic situation committee, said yesterday: "Sadly there are no obvious signs of a recovery yet. Even with the latest cut in interest rates, many firms will feel the need for a further stimulus to ensure recovery is not needlessly delayed."

The monthly survey showed that manufacturers' order books had continued to deteriorate and remained substantially below normal levels.

Manufacturing output was expected to fall even further during the next four months, said Mr Wigglesworth. The rate of decline was likely to be slower than expected.

The survey, conducted between April 30 and May 15, covered 1,269 companies responsible for about half of Britain's manufactured exports and employing more than 2m people.

The CBI said that the proportion of companies expecting to be able to raise domestic prices in the next four months had fallen sharply since a similar survey in March.

Price expectations were at

their weakest since February 1987. Only 14 per cent of companies said they expected to raise prices compared with 71 per cent which expected prices to remain unchanged and another 14 per cent which expected prices to fall.

Steady or falling factory gate prices are likely to be used by manufacturers as evidence that the government's fight against inflation is succeeding in leaving room for further interest rate cuts.

"The survey indicates that factory gate inflation is clearly on a downward trend," said Mr Wigglesworth. "Prices and profits are suffering as companies endeavour to maintain orders in a highly competitive and declining market."

Two thirds of companies reported that order books were below normal, compared with only 5 per cent which said orders were better than normal. The CBI said order books had weakened markedly since the beginning of the year.

A third of companies expected output to fall during the next four months compared with 14 per cent forecasting increased production.

"Export order books have not weakened further since last month but nonetheless remain significantly below normal," said the CBI.

Stocks of finished goods continued to remain significantly more than adequate to meet expected demand.

London's economy forecast to lag country

By Neil Buckley

LONDON faces economic growth of only 1.5 per cent a year in the next five years - among the lowest in Britain - unless there are big improvements in transport and local administration, according to a report published yesterday by the Henley Centre for Forecasting.

The future of the capital seems set to become a political issue after publication of the Labour party's manifesto for London earlier this week.

Dr John Rigg, presenting the report to a symposium organised by the Labour-dominated Association of London Authorities, warned that the city was at risk of being left behind by the rest of the country. He cited Manchester's selection as the British bid for the 2000 Olympics as an example of London's decline.

The Henley report said the south-east had been affected earliest and hardest by the present recession as it was particularly exposed to the impact of high interest rates. The recession also differed from that in the 1980s because the service sector - dominant in London and the south-east - was the worst affected.

Dr Rigg said that London's rate of unemployment in vacancies - a measure of economic dynamism - was the worst in the country at 26 to 1. The report predicted that the first signs of economic recovery would begin in the third quarter of this year, but that London's rate of economic growth might be less than half that in some areas of the UK.

Ms Margaret Hodge, chairman of the ALA, said: "The message crying out from all the physical symptoms is that London is on the slide and is in need of some intensive care."

Baroness Blackstone, master of Birbeck College in London, called for a single 30-member authority to oversee strategic planning and London-wide services and to promote the image of the capital.

Rate cut leaves finance markets unmoved

Peter Norman reports on why any further easing is likely to be a cautious process

REALLY can a British interest rate cut have been so fully discounted by financial markets as yesterday's half percentage point reduction in bank base rates to 11.5 per cent.

Sterling stayed steady on the foreign exchanges and ended the week the third strongest currency in the exchange rate mechanism of the European Monetary System. On the domestic money market, the bellwether three-month inter-bank rates showed a minimal sixteenth per cent rise to about 11½ per cent, suggesting that the rate cut broadly matched expectations.

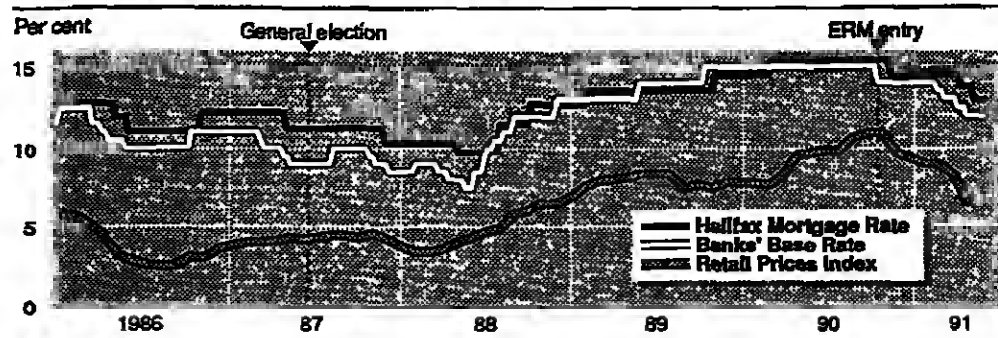
Only on the market for government gilt-edged securities did there appear to be hint of future trouble. But a five-eighths point drop in prices at the long end of the market yesterday's cut turned out to be largely a technical reaction to a sharp rise in gilt prices the night before, rather than a reflection of market fears that the rate cut could be a harbinger of future inflation.

Indeed, the Bank of England and Treasury had some reason for feeling pleased with themselves after the fifth half-point cut in bank base rates this year.

By resisting a cut the previous Friday, when the government announced a sharp 1.5 percentage point fall to 6.4 per cent in April retail prices inflation, they have demonstrated that there is no automatic link between bank base rates and the sometimes misleading headline indicator of inflation.

That delay before yesterday's rate cut - resulting in a six weeks interval since the previous half-point base rate

Interest rates and retail prices



Source: Datastream

reduction - also underlined how the period of rapid interest rate disarmament had come to an end.

In the central bankers' world of nods, winks and arcane money market signals, the authorities have got the message across that the next cut, when it comes, will be after lengthier contemplation than the two or three week intervals that punctuated the fall in base rates from 14 per cent to 12 per cent between mid-February and mid-April.

The Bank and Treasury had also managed to steer rates lower against a chequered political background. The gains made by the Labour Party in the opinion polls at the Conservatives' expense have not cramped monetary room for manoeuvre.

Yesterday's modest cut should also lay to rest recent speculation about possible rifts between the Bank and the Treasury over the easing of monetary policy. The half-point cut is not inconsistent with recent warnings by Mr

Robin Leigh-Pemberton, the governor of the Bank of England, against "false dawns" in the battle against inflation or against the "siren voices" that have urged lower interest rates to boost economic growth.

The latest cut did not please everybody. Mr John Smith, the shadow chancellor, said the government should have acted more decisively by cutting the rate by a full percentage point. Mr John Banham, the director-general of the Confederation of British Industry, who like Mr Smith has been campaigning for a bolder programme of monetary easing, said the cut was "none too soon".

On Thursday evening, rumours circulated that the government could decide a full percentage point cut in connection with a decision to move sterling to the narrow 2.25 per cent ERM fluctuation bands from the present 6 per cent fluctuation margins.

But the half-point reduction was fully consistent with precedent - only two of the 58

base rate cuts in the past 10 years have been of more than half a point - and came at a time when economic signals were not sufficiently clear to permit a bolder relaxation of counter-inflationary policy.

Inflation signals have been less than clear since the previous cut. Although headline RPI fell sharply in April, the annual rate of output price inflation has risen and there has been only a modest fall in average earnings. On the other hand, survey data and reports of pay pauses and wage freezes suggest that further disinflation is in the pipeline.

Indicators of activity are similarly mixed. This week's report of a 0.6 per cent decline in gross domestic product between the final 1990 quarter and the first quarter of this year suggested that the pace of recession was slowing. But there have been few signs of a further economic improvement in April while unemployment is rising at a rate not seen since the 1930s.

The picture in the high

street remains clouded after last month's reversal of the sharp retail sales increase in March. Industry, to judge from yesterday's CBI industrial trends survey, expects output to weaken further.

In one respect, the Bank and Treasury have been fortunate. The pound's strength in the EMS and recent interest rate cuts by Spain and Italy provided a benign external environment for yesterday's move.

Looking ahead, this latest base rate reduction will have a more significant effect on the economy than the last similar cut, because it has triggered a fall in mortgage rates. This should give some support to the housing market, enhance the "feel good" factor among Britain's home owners and help push down the headline RPI, which for all its faults remains an important guide for wage bargainers.

It is fair to assume that the next step in base rates will be downwards as it becomes increasingly likely that headline inflation will fall towards the government's forecast of 4 per cent in the fourth quarter of this year.

Mr Gavyn Davies, chief UK economist of Goldman Sachs, believes base rates could be cut to 10.5 per cent before causing problems for sterling. The futures market was yesterday pointing to 10 per cent base rates in December.

What is certain is that the Bank and the Treasury will be anxious to proceed cautiously in cutting rates further and lag market expectations. It remains to be seen whether their political masters show such discipline in the run-up to the next general election.

Lord Chancellor rules out 'no fault' medical scheme

By Robert Rice, Legal Correspondent

A WEEK after endorsing a limited no fault compensation scheme for victims of motor accidents, Lord Mackay, the Lord Chancellor, has ruled out the introduction of a similar scheme for victims of medical accidents.

Speaking to the Royal College of Physicians in Edinburgh last night, the Lord Chancellor said the case for no fault compensation in medical cases had not been made.

The introduction of such a scheme would be tantamount to the insuring or underwriting of a risk of a kind which he did not think the state should have to fund. It could only be provided at the present level of damages at a very great cost, Lord Mackay said.

On the other hand, fear of being sued for negligence could make doctors unnecessarily cautious. The time had come to consider changes in personal

injury litigation procedures and compensation.

The growth in personal injury litigation, with 60 per cent of contested cases involving claims of negligence, had raised a number of issues which needed to be addressed, he said.

Judges frequently faced the difficulty of having to decide on a person's condition well into the future when doctors themselves could not agree on

the long-term prognosis. A possible solution to this was the "structured settlement", where damages were paid over a period rather than in a lump sum.

There was also the question of whether courts should continue to disregard the availability of NHS facilities in calculating compensation to cover future medical expenses; and whether punitive damages should be awarded in cases

which involve negligence. Lord Mackay told the doctors: "As a profession you must have confidence in your own abilities, judgments and standards."

"Again, as a profession, you must, of course, have the courage to admit fault where such exists, but equally the courage to resist those cases where, in your considered view, the case against you has not been made out."

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No FT... no comment.

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Weekend May 25/May 26 1991

Politics of interest cuts

THIS government has for some time pursued an economic strategy credibly devoted to lowering inflation and restoring long-term economic stability. But it also hopes to win the next election. The two aspirations coincide to the extent that it is able to lower interest rates, and that it then finds the voters who matter most to it care more about interest rates and inflation than about recession and unemployment.

Mr Lamont has certainly delivered his side of the bargain. He has a good chance of delivering still more. Some time in the next 12 months the government will learn whether it "agreed" voters would deliver their side of the bargain as well.

Yesterday's cut in base rate to 11% per cent was the sixth since the eve of sterling's entry into the European exchange rate mechanism, when base rate was 15 per cent. Monetary critics of that move have been confounded. Furthermore, the annual increase in the retail price index fell by almost two percentage points in April alone. It should be down to 4 per cent, or less, by October.

Low inflation, low interest rates, low unemployment and strong economic growth would have been Mr Major's preferred combination for the election campaign. But two out of four is not that bad for a government which has cut the base rate, inflation, double figures and an economy in a deepening recession six months ago.

The more severe the squeeze, the quicker inflation would fall and the easier it would be to persuade the markets that interest rates should be cut. The recession has certainly proved deep, as this week's data confirm. Gross domestic product fell in the first quarter of 1991 for the third successive quarter. Retail sales also remained depressed in the first four months of this year.

Dictating terms
Yet neither domestic economic conditions nor political necessity dictate monetary policy in the ERM. Last autumn, as sterling languished near the bottom of its effective lower band, the D-Mark's strength appeared to preclude the interest rates cut that the government needed.

Part of the credit for these interest cuts is due to the growing credibility of the government's counter-inflationary stance, supported by strong utterances from the governor of the Bank of England.

The more Mr Robin Leigh-Pemberton sounds like a president of the Bundesbank, the more credible becomes the UK's resolve. For that performance alone the government might well feel he deserves his 17 per cent increase in salary.

The task has also been made easier by events in Germany and the US over the past six months. The growing awareness of the rising costs of German unification has weakened the D-Mark against the dollar, helping to push sterling above its central rate in the ERM.

Will the government's luck continue? At least, there is plenty more deflation in the pipeline. The latest Confederation of British Industry monthly enquiry shows that both output and orders fell further in May.

Political case
If sterling stays strong in the ERM and inflation keeps on falling, the government may hope to see further base rate cuts, perhaps even below 10 per cent. The political case for such cuts is clear. The economic case is weaker. Underlying inflation remains stuck around 7 per cent, while the unit labour costs of UK companies continue to outstrip those in Europe.

The government's plans may yet be stymied by events in Germany. German economic growth is beginning to slow. But the combination of rising wage pressure, increases in indirect taxes and the weak performance of the D-Mark will push German inflation higher. The next move from a nervous Bundesbank could even be up.

Mr Major will also be worried by the economic consequences of the recent poll showing Labour eight percentage points ahead. If the markets come to believe that Labour is likely to win and then devalue, the government may be forced to raise interest rates, in order to defend sterling within the ERM, before the election.

On the bright side, the consumer-led recovery the Treasury's economists have forecast for the second half of this year would provide a further welcome boost for the government. The problem is that the government can only cut interest rates to persuade consumers to start spending again. It will presumably try to cut rates further, and there is a fair chance that it will succeed. But the bid comes at a crucial time for ICI as the recession exposes its inadequacies. The next year will change ICI's character as its management pushes through a wide-ranging restructuring programme.

But it is arguable that this affair will be equally significant for Hanson. It too could be at a turning point. After the big acquisitions of Hanson's golden period in the mid-1980s

Imperial Hanson Industries has quite a ring to it. It would be a formidable industrial force on the world stage - the product of a merger between Hanson, the acquisitive industrial conglomerate and Imperial Chemical Industries, two companies which represent the best of very different aspects of British industry.

Hanson's ability to buy and sell assets, to drive out cost and generate profits, would be combined with ICI's respectability as one of the few truly world-class UK manufacturers.

Imperial Hanson, as it might be known, would extend from paints and explosives, to bricks, vitamin pills and tobacco. ICI would have a combined turnover of almost £20bn, pre-tax profits of more than £2.3bn, fixed assets of about £17bn and more than 210,000 employees worldwide.

The combination of financial strength and Hanson's operating undervalued assets would open up ever-widening horizons for acquisitions on a huge scale. For Hanson it would bring the vital advantage of extending its reach beyond the UK and the US, into Australia, Europe and eventually the Far East.

It sounds like a fantasy, the wild imaginings of someone drunk on his own success. Enormous obstacles would have to be overcome. The government would have to prevent ICI falling into the clutches of a company the opposition regards as an asset-stripper. There would be regulatory hurdles to surmount in Europe and the US. Investors would need persuading that such a large and diverse group could be effectively managed. Lords Hanson and White are both nearing the end of their careers and they would need to convince the City that plans were in hand for the management of the behemoth after they departed.

Nevertheless, it is the dream of a merger between ICI and Hanson that appears to be feeding the imagination of executives at Hanson's headquarters overlooking Hyde Park Corner in central London.

The ambition to combine the groups appears to be the motive behind Hanson's purchase last week of a 2.8 per cent stake in ICI.

Hanson is reaching into the heart of the old British industrial establishment. When three weeks ago the group's founders, Lord Hanson and Lord White, finally decided to buy the stake, even some of their closest advisers could not prevent their jaws dropping.

Hanson's view is that even national institutions have to adapt or perish. The view from his office is that ICI is a company which has lost its way. It needs a torch put under its management. "Twenty-five years ago Hanson was the industrial upstart and ICI was the aristocrat. As one Hanson adviser puts it: "We are the establishment now."

It is generally recognised that the bid comes at a crucial time for ICI as the recession exposes its inadequacies. The next year will change ICI's character as its management pushes through a wide-ranging restructuring programme.

But it is arguable that this affair will be equally significant for Hanson. It too could be at a turning point. After the big acquisitions of Hanson's golden period in the mid-1980s

(VHP), which has promoted the campaign to build a new Hindu temple on a disputed site at Ayodhya.

Asked why he permits campaign speakers such as the charismatic Hindu preacher Sadvi Rithambhara to inflame audiences with vituperative anti-Muslim statements, Mr Advani has no real answer. "I own responsibility only for myself," he says, adding that a mass movement inevitably attracts diverse elements.

The big uncertainty is whether the tail would wag the dog if the BJP came to power - whether Mr Advani could control his extremists or whether they would push him to an increasing confrontation with Muslims that would result in further violence.

Mr Advani's new middle-class following will, of itself, exert a restraining influence. His supporters are convinced that in office he would be the pragmatic, level-headed leader that he appears in parliamentary debates. The business community is convinced that he will pursue market-ori-

Charles Leadbeater and Roland Rudd talk to Lords Hanson and White about their plans Corporate crusaders



Hanson: "We do not want to do big hostile bids in the UK or US"

the Imperial Group in the UK and the US conglomerate SCM - there have been suggestions that Hanson has been losing its touch. Without a big deal, its 25-year unbroken run of increases in earnings could end. Politics is turning against it, with Mrs Thatcher gone and Labour resurgent in the polls. The ICI affair could mark the latest stage in Hanson's rise, but it could just as easily mark the peak of its fortunes.

That is not a well-received suggestion in Lord Hanson's office, dubbed by one former senior Hanson executive as "the furnace". However, Lord Hanson does recognise the risk to the group's standing if a hostile bid were to turn sour. He says: "The real downside risk is that we could ruin our reputation by going for something just because it is there. Allied-Lyons or Seac could be taken anytime, but we do not want to go for them."

He believes it is vital Hanson should have the confidence to be ambitious. Almost in passing he mentions how easy it would be to buy into Du Pont, the US chemicals group.

Yet he denies the group needs a mega-bid to keep growing. "We do not need a massive deal for its own sake. I have

two on my desk right now that we are looking at. Fascinating deals, both on the continent, neither of them massive."

Indeed he goes further in disavowing any appetite at all for extracting corporate battles: "We do not want to do big hostile bids in the UK or in the US."

But there is a recognition that the group should embark on further development. The ICI move is the first signal of that change of direction. "Large companies go through phases," says Lord Hanson. "First we had to pull ourselves up by our bootstraps. After 15 years we finally got known. Now people accept that we have a skill for management."

Hanson's established Anglo-American money-making recipe is about to be modified. "We have become so successful financially that we are now able to look at other ways and means of making money for our shareholders by going into other parts of the world."

By the mid-1990s, when Lord Hanson hands over to a younger generation, probably including his eldest son, Robert, he wants the company to have a truly global spread. "That would be difficult to achieve through large take-overs on the continent and in the Far East. So the logical

route is to buy or merge with a British or American group with just that global reach.

Hanson seems to be sending two messages to the markets. Within ICI's Millbank headquarters overlooking the Thames, the purchase of the stake is a signal that Hanson is on the move. Yet the disavowal of hostile bids appears to be a signal that nothing imminent is planned for ICI. Hanson managers will be unrelenting in their scrutiny of their counterparts at ICI for perhaps as long as a year. If they fail to perform, Hanson - as ICI's second-largest shareholder - will start to flex its muscles.

They will be egged on by Lord White, the creative force at Hanson who, with Lord Hanson, met Sir Denis Henderson, the ICI chairman, for talks earlier in the week. He has lost none of his disdain for traditional British management.

He says: "There is a strong streak of arrogance within the management of companies. It is a sort of 'we complex; we know best, we want to run it our way. When you propose a merger with a company or the possibility of taking a stake to benefit shareholders they immediately pull back. We are told not to rock the boat."

In a revealingly personal swipe at the archetypal British manager, White, the 69-year-old former ICI chairman adds: "So many managers are overweight, drink too much and smoke too much, they have to give up when they get into their stables."

The calculations within Hanson are that at least £500m a year could be cut from ICI's costs, much of it from its international bureaucracy.

But for the moment Hanson will play Mr Nice Guy. It stresses its intentions are friendly. It just wants to help ICI with some ideas.

At worst the stake could be a safe, modestly profitable investment. But Lord Hanson says wryly: "I only know about running businesses, I have never really known much about the stock market."

Beyond that a variety of relationships between ICI and Hanson are conceivable. If ICI starts to dispose of assets through its restructuring programme, Hanson might be a buyer. Hanson believes ICI should spin off its pharmaceutical division to merge with another drugs group to create a company group matching top names in the industry such as Glaxo or SmithKline Beecham. Hanson might take a stake in such a pharmaceuticals company or a minority stake in ICI itself. But for Lord White, the best outcome would be a merger to create IHI.

Over the next few weeks Hanson's helpers will be seeking to cast the company in what to some may seem an unlikely role: an asset manager rather than an asset stripper, a crusader for corporate health and fitness rather than a growing predator. The word is that IHI would retain many of ICI's businesses, such as paints and agro-chemicals.

Hanson's aim will be to put all the eggs on ICI. It will have ICI in the coming year. Should ICI fall from grace, Hanson will be there to try to catch it. Hanson executives are confident pension fund managers would show no sentimentality over ICI's fate and the creation of IHI.

Moby Dick makes waves

John Hunt examines the emotive issue of commercial whaling

When the International Whaling Commission meets in Reykjavik, Iceland, on Monday, the atmosphere is likely to be anything but calmly scientific. The emotive issue of commercial whaling is on the table again, just five years after a temporary worldwide ban was imposed.

Since that ban in 1986, the world's press and environmental groups have kept whaling at the forefront of public debate. "Green" groups see an end to whaling as a flagship issue for world conservation. Slaughter of the mammals has been massively reported in the media and the movement, or been under immense pressure to end it. "But the wolf is still howling the flock," says Andy Ottaway, whaling campaigner for Greenpeace, the environmental organisation.

Today, eight environmental organisations are holding a rally in Trafalgar Square, London, with pop stars and actors protesting against the "senseless slaughter". The Icelandic government has already raised the temperature by accusing Greenpeace of "resorting to slanderous tactics to entice support from those unfamiliar with the issue".

Against this highly-charged background, representatives of 36 nations are reviewing the call to end the moratorium, or what Japan hopes will be a "basis of scientific evidence in a calm and non-emotional manner".

In the past, Norway, Japan and Iceland, the main whaling countries, have threatened to walk out of the IWC unless they are granted commercial quotas. There are fears that they could carry out the threat this year unless they get their way. Such a move could lead to the anarchy of individual countries deciding what their catches should be.

Since 1986, the commission's science committee has carried out an assessment of whale stocks to see whether they could withstand a resumption of commercial whaling and the setting of new catch limits. Scientific evidence of whale numbers and location proved so inconclusive, however, that any decision was postponed. Counting again proved difficult after further investigation this year, so the process of setting new quotas may be stalled.

Stocks do appear to have recovered somewhat since the moratorium. Scientists estimate that in the north-east Atlantic there are between 40,000 and 114,000 minke whales, the smallest of the whale family. In the Antarctic there could be 200,000 to 1m. The span reflects the difficulty of making an accurate count.

Countries have been permitted to continue whaling for scientific research since 1980 - a pretext, say green campaigners, for keeping whaling vessels and equipment in operation until commercial whaling can be resumed.

Japan has been the biggest taker of whales under the science programme - 300 in the Antarctic last year and 322 scheduled this year. Norway killed five whales for scientific purposes last year and will take none this year; Iceland took 66 fin whales, a large species, in 1989, but none since.

Oil and to some extent bone used to be the chief products but whales are now caught mainly for their meat. A minke whale can sell for 25 to 210 a lb wholesale, or about 225,000 for a single carcass. Prices rise steeply on the retail market. Whale meat is 270 a lb in Japan, the market for much of the whale meat exported by Iceland and Norway.

Why are whaling nations so eager to resume a trade which causes considerable opposition? Employment is part of the answer. In Japan only 28 per cent of those thrown out of work in large coastal whaling firms have found jobs since the moratorium, 18 per cent have found part-time or temporary work. The Japanese government also says whale meat is a traditional part of the diet in some coastal regions, but surveys dispute this claim.

In northern Norway about 1,500 people were involved directly in seasonal whaling with many more jobs indirectly dependent on the trade. Some northern communities are taking a 250m court action against the Norwegian government, claiming it was illegal for it to implement the moratorium.

To support its call for a resumption of commercial whaling, Japan says there are at least 750,000 minke whales in the southern hemisphere. Norway estimates there are 80,000 minke whales in the north-east Atlantic. Iceland says there are tens of thousands of whales within its 200-mile fishing zone.

But these figures do not dispel arguments over the ethical basis of whaling. Critics say it is an inhumane activity that should be banned permanently, whatever the size of stocks.

John Gummer, the UK agriculture minister, says Britain will vigorously support continuation of the moratorium. The US, Australia and New Zealand are likely to take a similar view. The UK, which gave up whaling in 1962, will not contemplate resumption until it is clear that stocks are at healthy levels and a humane killing method has been developed. The explosive harpoon does not meet the criterion and methods such as electronic stunning have proved impracticable.

In these circumstances the chances of finding a compromise on the setting of new commercial whaling quotas at Reykjavik are slender.

"The way we kill whales revolts and appals many people, among them myself," says Mr Gummer. "I hope the world has changed from the Captain Ahab view of Moby Dick."

MAN IN THE NEWS

L K Advani

Low-key image masks a Hindu hardliner

By David Housego



in its drive to win middle-class support.

To educated Indians brought up on western values, who have long felt there was something shameful and obscuring in parading their Hindu religion, he has brought the message that they should stand up and be counted. "I will not be defensive," he says. "We have been defensive for too long."

Officials, businessmen, film stars and the urban party have flocked to the young in disillusionment with the opportunism and inefficiency of governments since independence. "You have had Congress governments for 40 years," Mr Advani tells his audience. "Now give the BJP a chance."

But Mr Advani has also all his adult life been a member of the Hindu extremist Rashtriya Swayamsevak Sangh (RSS) which has thrived on appealing to Hindu resentment against India's minority Muslim community. As leader of the BJP, he has drawn it closer to the Hindu crusading organisation, the Vishwa Hindu Parishad

(VHP), which has promoted the campaign to build a new Hindu temple on a disputed site at Ayodhya.

Asked why he permits campaign speakers such as the charismatic Hindu preacher Sadvi Rithambhara to inflame audiences with vituperative anti-Muslim statements, Mr Advani has no real answer. "I own responsibility only for myself," he says, adding that a mass movement inevitably attracts diverse elements.

The big uncertainty is whether the tail would wag the dog if the BJP came to power - whether Mr Advani could control his extremists or whether they would push him to an increasing confrontation with Muslims that would result in further violence.

Mr Advani has two children, lives in a modest house in New Delhi. He is approachable, articulate, and insistently good-humoured. He has himself been amazed at the enthusiastic response he has received during this campaign. "People are treating me like a religious leader," he says. Admirers touch his feet and seek his blessing.

His campaigning style is far from demagogic. He speaks in a low, throaty voice, humouring and caressing his audience. With his brush mustache, his bald head and heavy glasses, he has the look of an avuncular retired colonel.

Born in 1927 in Karachi - in

what is now Pakistan - into a moderately prosperous family, he went to a missionary school. As a young man, he was attracted to the RSS - a movement that emphasised discipline as the basis of a revived nationalism. In the 1950s, he became a journalist with the *Organiser*, the RSS publication which has always taken a strong stand against "appeasement" of India's Muslims.

He entered parliament in 1970 as a member of the Rajya Sabha (the Upper House) for a party called the Jan Sangh - the predecessor to the BJP. He became Information Minister when the Jan Sangh was a member of the Janam coalition government formed in 1977, and BJP president in 1986.

Mr Advani's real success began in the late 1980s, when he set out to create a mass movement out of a long-standing controversy over the building of a temple to Lord Rama, the Hindu deity, at Ayodhya. In mid-1989, he set out on a journey across India in a truck decorated as a chariot to mobilise support for the temple. He drew vast crowds as he developed the theme of the temple as a symbol of Hindu unity.

The *rath yatra* (chariot pilgrimage) brought him into conflict with the government of former Prime Minister Mr V P Singh. It also helped precipitate rioting between Hindus and Muslims in north India. But as he had hoped, he emerged with a martyr's image, and thus broadened the party's base to the point where it can challenge Congress.

With yesterday's cremation ceremonies for Rajiv Gandhi out of the way, Mr Advani will return to the campaign trail in advance of the final two days of polling, expected to be June 12 and 15. He hopes to capitalise on Congress's difficulties in finding a leader and on its initial choice of Mrs Sonia Gandhi - an Italian-born Christian - as its president. But Congress will also benefit from a wave of sympathy in the wake of Mr Gandhi's assassination. It is still a moot point which way voters will swing as the election reaches its denouement.

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UK COMPANY NEWS

SD-Scicon spurns £111m offer by Cray Electronics

By Alan Cane

SD-SCICON, the troubled UK computing services company in which British Aerospace has a 25 per cent stake, yesterday emerged as the target of a bid from Cray Electronics which values it at £111m.

SD-Scicon is one of Britain's largest computer systems companies with sales of more than £256m. But problems with large computing projects, chiefly in the government and defence sectors, forced it into losses of about £20m last year.

Cray, a high technology company, is capitalised at about £80m and has interests in computer software, telecommunications and scientific instrumentation.

Sir Peter Michael, chairman of Cray, said his intention was to build an international company able to achieve growth and resilience in the 1990s with the resources to undertake large contracts for major customers.

A combined Cray and SD-Scicon would have 60 per cent of its sales in the UK and 40 per cent abroad. SD-Scicon, he alleged, was a company with

"no management, no strategy and no profits."

After hastily convened discussions with its advisers, Samuel Montagu, SD-Scicon said it would fight to retain its independence. Mr John Jackson, the chairman, said the bid was "opportunistic and ridiculous."

The French operations alone were worth some £80m.

Cray is offering an all-share deal which values each SD-Scicon share at 41.8p, and each convertible preference at 89p. An alternative cash offer of 37.125p per ordinary and 80p per preference has been fully underwritten by Morgan Grenfell and SG Warburg Securities, the brokers to the offer.

Cray said the bid was final and would not be revised except "in the unlikely event of a competing offer."

It said that British Aerospace had agreed irrevocably to accept the offer, unless a competitor emerged. The other principal shareholders are Morgan Grenfell Asset Management with some 15 per cent, Prudential with 8 per cent, and

Phillips and Drew with 3.5 per cent. Mr Philip Swinstead, founder and chairman of SD-Scicon, and his immediate family are thought to hold some 5 per cent.

The bid caused little stir in the City or in the UK computer industry, where the future of SD-Scicon has been the subject of speculation for some months. But there was surprise that Cray should be the bidder.

Cray achieved notoriety in 1989 when it was forced to change its accounting policies, showing that the previous two years' profits had been heavily overstated.

The ensuing ramp-up revealed the parlous state of the company's finances with debt up £10m to £40m in six months, a heavily overvalued share price and a lack of investment at the group's raft of subsidiaries.

At that point, Sir Peter and his team were criticised for bringing the company back to financial health. Last year it made profits of about £3.2m before tax.

See Lex

Polly Peck creditors support administrators' plans

By David Barchard

CREDITORS OF Polly Peck International, the collapsed fruit and electronics group, yesterday approved plans for the reconstruction of its core businesses, with virtually no opposition to the administrators' proposals.

Mr Michael Jordan of Coopers & Lybrand Deloitte told more than a thousand creditors that substantial parts of the group, including PFI Del Monte, Sansul Group, the Japanese audio group bought by Polly Peck in 1989, and Vessel, its Turkish consumer electronics subsidiary, should be retained as going concerns. They would be available for sale to suitable partners or through stock market flotations at a later date.

The meeting was the first opportunity for creditors to discuss the group's future since it was placed in administration last October. The creditors include Polly Peck's 25,000 shareholders who are owed an unpaid interim dividend.

Creditors were told that an immediate liquidation of the group would be likely to yield

only 20 per cent of the £1.1bn debts, while the administrators' plan should make it possible for them to be paid over half of what they are owed, with the remainder probably being converted into equity.

Though the administrators sounded confident about the prospects for Polly Peck's main subsidiaries in the US, Japan, and Turkey, they made it clear that they would need nursing for some time and were not suitable for an immediate sale.

Sansul lost £30m last year on sales of £243m, and its cash position was weakened by the transfer of \$30m to Polly Peck's headquarters in London. It was described by Mr Jordan as having great turnaround potential. PFI Del Monte could not be sold at present for a price which reflected its potential, and Vessel would need a minority partner to help expand its product range and enter the European market.

These problems paled into insignificance, however, alongside those of the fruit and packaging operations in Turkey and the activities in which it made its name in



The administrators: Richard Stone, left, Michael Jordan and Christopher Morris

the early 1980s. The administrators had still not had full access to the accounts of Mayna, the Turkish foods company, while their access to the records of Polly Peck in north Cyprus was still blocked by

court action after nearly seven months. It was thus hard to form a detailed view.

Mr Richard Stone said that Mayna, reconstructed, might be sold to a new owner. "It was a far cry from past

reported profitability".

The administrators hope that these operations, with several loss-making hotels in Turkey and Cyprus, can be hived off into a new division for eventual sale to local buyers.

W'hampton Dudley rises 14%

By Philip Rawstone

WOLVERHAMPTON & Dudley Breweries, the Midlands regional brewer, increased interim pre-tax profits by 14 per cent, from £13.8m to £15.76m, despite a drop in beer volumes.

Lower brewing costs, increased sales of premium lagers and ales, and a sharp rise in pub food profits led the growth, said Mr David Thompson, managing director.

Volume beer sales were down 1.6 per cent but the group's main brands - Banks's, Kronenbourg and Grolsch - gained share as volumes in the overall local market fell around 4 per cent.

Earnings per share rose 25.5 per cent to 17.2p (13.7p) and the interim dividend is lifted 11 per cent to 4.1p (3.7p).

Trading profits increased 14

per cent to £17.88m (£15.7m) on turnover 11 per cent higher at £91.48m (£82.13m) during the six months ended March 31.

All the main beer brands were supported by television advertising - "excellent value at the moment," said Mr Thompson. Sales of draught Grolsch, introduced last October, had been good and distribution of Banks's ales had been extended more widely than expected through the "guest beer" trade in other brewers' pubs.

"For the rest of the year, we expect volume trends to improve slightly, and our market position to strengthen across all sectors," Mr Thompson said.

The group's managed pubs - more than half its 850 total - had traded strongly and pub

restaurants defied national trends with 8.5 per cent more meals sold and profits 47 per cent higher, but small tenants had been "really hammered" by the recession.

Though activity had ebbed sharply over the past three months, the company's 10 hotels had performed well with occupancy only 3 per cent down.

The company expected to increase borrowings by £18m over the full year as it invests in free trade loans and new pub sites. Borrowings at the end of March amounted to £28.7m.

With 18 greenfield sites and pubs already acquired for development, Mr Thompson said there was considerable scope for growth in the regional market.

Jarvis Porter acquires Scottish printer for £6m

By Michio Nakamoto

JARVIS PORTER, the specialist label printer, is acquiring Holmes McDougall, a Scottish printer of high quality labels, for £6m in cash.

The group announced the acquisition as it reported an 8.9 per cent rise in pre-tax profits for the year to February 28 to £2.3m (£2.1m).

The purchase of Holmes, to be funded by a rights offer of one new ordinary share for every 2.71297 shares held at 100p per share, is the first step in a new strategy for the group of growth through acquisitions, it said.

It is also the first acquisition since Mr Richard Brewster, chief executive, joined the company from David S Smith, the paper and packaging group. Mr Brewster was the driving force behind the growth of that company from a market capitalisation of £2.5m to £220m,

achieved mainly through acquisitions.

Holmes operating profits were £230,000 on turnover of £4.36m in the year to September. It will bring additional net tangible assets of no less than £3.99m, including £2.49m cash.

The rights offer enables shareholders to buy the shares at a greater discount than a tender's placing would have while giving them the option to sell their rights on the market. The price is at a 20 per cent discount to Thursday's close. The shares finished yesterday 6p higher at 133p.

Turnover last year fell to £27.57m (£28.13m), entirely due to the sale in June of its flexible packaging division which provided £3.7m in sales in 1989. Earnings rose to 9.3p (9p) and final dividend is 2.8p, for an unchanged 4.2p total.

Water contracts boost Donelon

By Clare Pearson

A FLOW of tunnelling contracts from water companies embarking on their capital expenditure programmes helped Donelon Tysons, the Liverpool-based construction group, push pre-tax profits ahead by 50 per cent to £3.03m in 1990.

The advance, from £2.02m, was scored on a similar increase in turnover to £94.79m (£85.13m). Earnings per share rose to 4.01p (3.45p). A yearly dividend of 1p (0.75p) is being

paid.

Most of the profits advance came from the tunnelling side, while the contracting, joinery and shop fitting businesses of Tysons, which merged with Donelon in 1989, experienced a profits recovery.

A high point of the year for Tysons was that, with the help of a grant from the Merseyside Development Corporation, it promoted a £5m office development at 401p (3.45p). A yearly dividend of 1p (0.75p) is being

paid.

Tunnelling contracts amounted to £25m during the year, and the company said it was beginning £55m of new projects for the water companies.

The pre-tax line was struck after a £260,000 (£240,000) charge for amounts irrecoverable on contracts following the fall into receivership of a listed construction company. Net interest payable rose to £1.76m (£708,000).

Director quits Beazer

By Andrew Taylor, Construction Correspondent

MR JOHN MATTHEWS, deputy chairman and deputy chief executive of Beazer, is leaving the heavily-borrowed construction and building materials group by mutual consent.

Last month Beazer announced plans to raise up to £250m by selling shares in its UK and European businesses which would become a separately managed company.

It said yesterday that one of Mr Matthews' main board responsibilities had been to oversee the European operations. It was felt that, as this would now be a separate company, it would be more appropriate to appoint an independent chairman.

Mr Brian Beazer, the group's chairman and chief executive, said: "After the flotation the remaining business will inevitably be smaller and there will no longer be a requirement for a deputy chief executive."

Mr Matthews, previously a senior director of County Natwest merchant bank, was appointed to his positions with Beazer in December 1988.

As a director of County Natwest he helped organise the purchase by Beazer of Koppers, the US aggregates group, in 1988 for £1.1bn.

The cash from flotation of the European businesses is to be used to reduce debt.

Details of the share issue are expected to be published at the beginning of July.

Following the flotation Mr Beazer would continue to run the US businesses while Mr Terry Ussell, currently chief executive of the European division, would take over the day-to-day running of the new company.

The group said that an independent chairman for Beazer Europe had been identified although it was not in a position to announce the name.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Cambridge Water	20	July 28	2.4	92.4	3.5
Castings	2.52	Aug 10	2.4	3.72	28.5
Central TV	21	July 8	2.1	22.5	0.75
Donelson Tysons	1.4	Aug 27	0.75	1	8.8
Fulcrum Inv	3.3	June 26	3	4.2	2.8
Jarvis Porter	2.8	July 31	2.8	4.2	13
Kellogg Foods	10.5	July 25	9.5	13	14.5
Linton Park	10.5	July 25	9.5	13	2.5
Mezzanine Cap'l	7.5	July 10	7.5	14.5	37.95
Perpetual	0.8	July 1	0.8	2	4.75
Suffolk Water	16.25	June 28	2	37.95	4.75
Thornion (SW)	2.25	July 4	2	4.75	8.5
W'hampton Dudley	4.1	July 5	3.7	8.5	

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for stock issues. †On capital increased by rights and/or acquisition issues. ‡US stock. †Also special payment of 37.95p. ‡Script option. †For 15 months.

LONDON RECENT ISSUES

Issue	Price	Yield	Div	Yield	Div	Yield
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100

FIXED INTEREST STOCKS

Issue	Price	Yield	Div	Yield	Div	Yield
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100

RIGHTS OFFERS

Issue	Price	Yield	Div	Yield	Div	Yield
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100

TRADITIONAL OPTIONS

Issue	Price	Yield	Div	Yield	Div	Yield
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	100	100	100	100	100	100

Trebled Exchequer levy cuts Central TV by £8m

By Jane Fuller

CENTRAL - Independent Television, the only one of ITV's "big five" that does not face a rival bid for its franchise, suffered a 29 per cent drop in pre-tax profit last year after a trebling of the Exchequer levy.

Taxable profit fell to £19.18m compared with £27.02m. The group also took below-the-line costs of £18.3m to cover studio closures, including nearly 500 redundancies. Turnover slipped to £315.18m (£320.09m) as advertising revenue stagnated and other income fell to £82.27m (£86.79m), mainly because of reduced overseas programme sales.

Mr Leslie Hill, chairman and chief executive, said profit before the Exchequer levy and Channel 4 subscription had risen to £77.25m (£75.22m), reflecting the benefits of cost cuts. Staff numbers, for example, had come down from just over 2,000 to 1,500 before the studio closures.

While the Channel 4 rise was less than 3 per cent to £40m, the Exchequer levy shot up to £17.62m from £5.6m, which was well down on the previous fig-

ure of £14.8m.

Mr Hill complained about the switch in the levy's emphasis from profit to revenue and said ITV groups were lobbying the government to try to obtain a reduction in the burden of the levy.

Central had maintained its share of national television advertising revenue at 14.4 per cent. In the first four months of this year, income had fallen by nearly 7 per cent, in line with the whole network. "We expect the decline to continue for the next two to three months."

The extraordinary costs were incurred in the closure of the Central Television Facilities business, which made programmes for external clients including Sky and BSB when they were separate companies. "Central has always had far more studio capacity than any other ITV company." In a market that was over provided for, it had not been possible to make the facilities business profitable.

Mr Hill said the substantial savings made through the studio closures, which brought



Leslie Hill: holding on to ad revenue and market share

staffing down to 1,000, had been one of the factors dissuading potential rivals from buying in a bid.

Earnings per share fell to 44.2p (64.2p). A final dividend of 21p makes an unchanged total of 28.5p.

NEWS DIGEST

Linton Park advances 8% to top £8m

PRE-TAX PROFITS of Linton Park, the tea planter, food processor and engineer, rose 8 per cent in 1990, from £7.47m to £8.07m. With earnings per share at 25.1p (22.5p), the final dividend is up to 10.5p for a total of 13p (12p).

Turnover fell from £158.16m to £128.42m, mostly attributable to the merging of the fish processing interests of Associated Fisheries in 1990 with a new associated partnership. Group share of associated turnover was £23.5m which was not consolidated.

Trading profit rose to £3.75m (£3.44m) but investment and other income fell to £1.87m (£2.93m). Interest charges were £2.34m (£2.94m).

There was an extraordinary £2.02m mainly arising from a surplus on the sale of the Angolan branch.

Alpine Group, the mineral water and soft drinks combine, made inroads into its losses in 1990, cutting them from £2.9m to £86,000.

Turnover came to £7.39m (£10.35m) and the gross profit to £3m (£4.98m). There was an exceptional credit of £123,000, against a provision of £191m.

After a tax credit earnings per share were 0.09p (losses 14.36p).

Fleming High

In the year ended April 30 1991 Fleming High Income Investment Trust saw earnings per share drop from 8.24p to 7.8p, but is raising the dividend.

The fourth quarterly payment is 1.45p to make the total 5.75p, against 5.25p.

Gross income came to £2.38m (£2.44m) and pre-tax revenue to £2.08m (£2.11m).

Over the year net asset value rose from 84.5p to 91.4p.

Warner Estate

Warner Estate Holdings, a property investor and specialist marble and tiling contractor, lifted pre-tax profits by 5 per cent from £3.74m to £3.93m for the half year to March 31.

An interim dividend of 3.25p (3p) is paid from earnings per share of 5.41p (4.97p).

Turnover was divided as to property investment £4.14m (£3.84m), property trading £147,000 (nil) and contracting £289,000 (£272,000).

Windsor

Windsor, the insurance broking and financial services group, fell from profits of £120,000 to a loss of £273,000 in the half year to March 31.

That included certain reorganisation and rationalisation

costs; and after extraordinary provisions of £1.28m, the attributable loss jumped to £1.65m (profit £47,000).

A new management team under Mr Stanley Cohen was installed at the beginning of this month. Mr Cohen said Windsor needed to clear the decks for future growth.

Extraordinary items included £1m against property investment valuation, a loss on a North American joint venture, and the settlement of a reinsurance dispute.

Radio City

RADIO CITY (Sound of Merseyside), the USM-quoted company which two weeks ago agreed a £10.6m offer from EMAP, reported a pre-tax loss of £206,000 for the six months to March 31, compared with a profit of £48,000.

Turnover fell 24 per cent to £1.42m (£1.87m) and the trading loss was £97,000. The figures included a £90,000 revenue loss on the sale of the company's 43 per cent, while local declined 8 per cent. Broadcast Marketing Services, in which Radio City has a 50 per cent stake, only contributed £3,000 (£31,000).

Geevor

ECONOMIC DIARY

TODAY: National Association of Teachers in Further and Higher Education annual conference in Brighton.

SUNDAY: Soviet Georgia's presidential elections. Regional and municipal elections in Spain.

MONDAY: OAU council of ministers meet in Abuja (until June 1). US-sponsored Ethiopian peace talks due to start in London. International Whaling Commission annual meeting in Reykjavik.

TUESDAY: Engineering sales and orders at current and constant prices (March). Nato defence ministers meet in Brussels (until May 29). Financial Times two-day transport conference at the Hotel Inter-Continental in London.

WEDNESDAY: US Commerce Department announces first revision of figures for gross national product in the first quarter, rehandles trade in the first quarter and balance of payments. The economic and social council of the European Community in plenary session in Brussels. Post Office corporate staff are expected to strike.

THURSDAY: Department of Energy publishes figures for energy trends in March. Department of Transport issues statistics for new vehicle registrations during April. US Commerce Department gives figures for personal income during April, and single-family home sales (April). Scottish Power companies share price to be announced. Trial due to start in Milan of financier Mr Carlo de Benedetti charged with fraudulent bankruptcies in connection with 1982 crash of Banco Ambrosiano, Italy's biggest bank failure. European Community/Association of South East Asian Nations ministerial meeting in Luxembourg (until May 31). Conference on "European monetary union in a turbulent world economy" at the Grosvenor House Hotel, London: speakers include Mr Norman Lamont and Mr Carl Otto Pöhl.

FRIDAY: Bank of England publishes the following statistics: London clearing certificates of deposit in April; monetary statistics (including bank and building society balance sheets) (April); bill turnover statistics (April) and sterling commercial paper (April).

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS	Friday May 24 1991					Highs and Lows Index				
	Index	Day's Change	Est. P/E	Gross Div. Yield (%)	Est. P/E (25%)	Index	Index	Index	Index	Index
Figures in parentheses show number of stocks per section										
1 CAPITAL GOODS (246)	818.93	-0.9	11.38	5.94	10.78	15.76	826.64	823.71	828.40	866.40
2 Building Materials (240)	1057.57	-1.6	10.93	5.86	11.25	22.61	1074.76	1067.77	1081.39	1167.75
3 Consumer Goods (311)	1226.75	-1.3	9.26	5.86	11.25	32.61	1235.88	1230.09	1246.96	1316.96
4 Electricals (110)	1249.65	-0.5	11.19	5.70	11.38	41.83	1253.93	1249.67	1255.26	1316.96
5 Electronics (25)	1742.80	-1.1	8.99	5.15	14.82	7.81	1761.96	1763.65	1783.53	1936.19
6 Engineering-Aerospace (8)	422.83	-1.1	16.51	5.92	7.29	10.60	427.54	426.01	437.59	464.23
7 Engineering-General (47)	437.27	-0.3	12.80	6.01	9.44	8.43	438.50	436.88	437.07	478.85
8 Metals and Metal Finishing (8)	443.30	-0.5	20.16	7.78	6.12	2.31	445.76	444.56	446.34	487.45
9 Motors (13)	323.03	-0.1	12.51	7.52	9.44	9.39	326.19	324.82	325.27	340.54
10 Other Industrial Materials (20)	1475.96	-0.7	9.59	5.52	12.28	31.84	1483.65	1477.49	1482.95	1571.55
11 CONSUMER GROUP (246)	1452.72	-0.1	8.21	3.73	15.02	18.58	1454.63	1444.93	1449.34	1526.57
12 Consumer Goods (22)	1461.63	-0.2	8.44	3.68	14.58	21.60	1465.29	1458.77	1464.31	1526.57
23 Food Manufacturing (20)	1151.14	-0.7	8.99	4.27	13.31	15.39	1158.68	1152.27	1161.94	1210.94
24 Food Retailing (16)	2277.66	-0.8	8.00	3.07	16.33	30.32	2270.42	2272.16	2283.53	2424.91
27 Health and Household (21)	1351.90	+1.0	5.73	2.56	19.95	29.05	1319.30	1327.91	1329.81	1515.16
29 Hotels and Leisure (23)	1293.78	-0.4	10.49	5.29	11.24	22.57	1296.60	1296.14	1311.27	1409.43
30 Media (26)	1451.89	-0.3	4.80	4.80	13.52	22.11	1454.18	1440.82	1443.35	1521.99
31 Packaging, Paper & Printing (17)	670.27	-0.2	8.08	4.09	15.50	11.81	669.07	667.95	668.26	692.57
34 Textiles (13)	897.49	-0.8	8.86	4.07	14.76	12.50	904.73	898.11	902.90	934.99
35 Textiles (13)	897.49	-0.8	8.86	4.07	14.76	12.50	904.73	898.11	902.90	934.99
40 FURTHER GROUPS (27)	1223.79	-0.7	10.01	5.90	11.81	9.56	1232.96	1228.91	1234.96	1316.96
41 Business Services (12)	1223.20	-0.5	10.84	3.33	11.33	13.23	1229.12	1224.99	1231.11	1316.96
42 Chemicals (21)	1341.20	-0.9	8.51	3.56	13.33	26.71	1353.65	1337.61	1340.73	1529.96
43 Conglomerates (10)	1457.52	-0.2	10.45	7.12	11.54	47.13	1460.54	1457.93	1466.39	1600.54
44 Insurance (20)	1454.44	-0.4	7.42	12.37	17.85	22.10	1457.01	1454.44	1461.94	1526.57
45 Electricity (1)	1233.51	-0.5	5.41	11.15	0.00	0.00	1233.51	1233.51	1233.51	1233.51
46 Telephone Networks (4)	1471.43	-1.2	10.37	4.08	12.58	0.00	1469.71	1465.95	1469.42	1489.71
47 Water (10)	2453.77	-0.7	13.94	5.59	8.02	39.69	2457.80	2455.44	2464.13	2536.12
48 Miscellaneous (23)	1226.44	-0.8	3.44	3.44	12.26	22.11	1228.47	1225.99	1234.44	1294.96
49 INVESTMENT GROUP (48)	1226.44	-0.8	3.44	3.44	12.26	22.11	1228.47	1225.99	1234.44	1294.96
51 Oil & Gas (19)	2321.55	-1.0	10.85	4.41	12.81	50.51	2329.57	2326.00	2332.55	2429.55
52 NON-SHARE INDEX (246)	1320.20	-0.5	9.40	4.77	12.93	18.11	1327.14	1319.96	1326.46	1387.90
53 FINANCIAL GROUP (27)	793.11	-0.3	6.00	2.67	18.65	22.67	795.45	790.97	795.18	889.94
62 Banks (9)	892.62	-0.7	7.73	6.20	18.76	22.67	894.84	887.57	894.54	934.99
63 Insurance (Life) (7)	1445.55	-0.1	5.73	4.64	14.45	41.64	1445.73	1444.20	1449.19	1531.19
64 Insurance (Non-Life) (6)	1445.55	-0.1	5.73	4.64	14.45	41.64	1445.73	1444.20	1449.19	1531.19
65 Insurance (Composite) (6)	1445.55	-0.1	5.73	4.64	14.45	41.64	1445.73	1444.20	1449.19	1531.19
66 Insurance (Other) (6)	1445.55	-0.1	5.73	4.64	14.45	41.64	1445.73	1444.20	1449.19	1531.19
67 Merchant Banks (7)	422.05	-0.1	4.80	4.47	12.39	4.47	422.39	422.58	423.91	440.26
68 Property (40)	960.50	-0.4	6.64	5.04	20.55	7.90	964.29	960.88	963.47	1007.45
69 Other Financial (20)	282.96	-0.4	9.28	6.41	13.39	15.70	284.24	284.52	287.91	296.43
71 Investment Trusts (70)	1204.41	-0.6	3.48	15.60	22.12	12.11	1211.21	1211.21	1224.06	1304.06
72 ALL-SHARE INDEX (647)	1192.72	-0.5	4.90	18.11	11.96	11.91	1191.93	1191.93	1202.32	1292.32
FT-SE 100 SHARE INDEX	2471.1	-1.7	14.82	10.40	12.81	24.65	2462.71	2465.91	2463.91	2545.3

FT-SE 100 SHARE INDEX: 2471.1 -1.7 14.82 10.40 12.81 24.65 2462.71 2465.91 2463.91 2545.3 5.4 1990.2 28.9 2545.3 5.4 1991. 986.9 237.84

FIXED INTEREST

PRICE INDICES	Fri May 24	Day's change	Thu May 23	Accrued Interest	Adj. to date	1991	High	Low
1 British Government	121.61	+0.07	121.53	2.29	4.29	9.18	10.14	12.14
2 5-15 years (29)	120.54	-0.10	120.60	2.62	5.15	9.98	10.26	12.14
3 Over 15 years (10)	124.53	-0.53	124.23	2.20	5.02	10.34	10.31	12.29
4 5-15 years (10)	124.53	-0.53	124.23	2.20	5.02	10.34	10.31	12.29
5 All stocks (70)	129.89	-0.14	130.07	2.49	4.92	10.20	10.12	12.16
6 5-15 years (10)	129.89	-0.14	130.07	2.49	4.92	10.20	10.12	12.16
7 Over 15 years (10)	129.89	-0.14	130.07	2.49	4.92	10.20	10.12	12.16
8 All stocks (11)	148.16	+0.02	148.13	0.97	1.56	10.51	10.48	12.49
9 Debt & Loans (54)	109.48	+0.03	109.45	2.06	4.30	10.51	10.48	12.49

Opening Index 2482.0; 9am 2473.5; 10am 2477.8; 11am 2473.1; Noon 2462.7; 1pm 2460.8; 2pm 2462.4; 3pm 2464.4; 4pm 2469.4; 5pm 2469.4

Equity section or group: Business Services, Electronics, Other Industrial Materials, Health/Household Products, Industrial Group, Other Financial, Financial Group, Banks, Insurance (Life), Insurance (Non-Life), Insurance (Composite), Insurance (Other), Merchant Banks, Property, Other Financial, Investment Trusts, ALL-SHARE INDEX, FT-SE 100 SHARE INDEX.

Fixed interest: British Government, 5 years, 15 years, 5-15 years, Over 15 years, All stocks, 5-15 years, Over 15 years, All stocks, Debt & Loans.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound lose ground

THE DOLLAR and sterling lost ground ahead of a long holiday weekend. On Monday US markets are closed for Memorial Day, while the UK celebrates the Spring Bank Holiday.

A strong stock market in Frankfurt provided support for the D-Mark and tended to depress the dollar. Earlier in the day the US currency had gained some support from suggestions that Finland is about to follow Sweden in linking its currency to the Ecu. Like the Swedish krona, before the Ecu link, the Finnish markka is tied to a basket of currencies, but the weighting of the dollar is much smaller. It is therefore less likely to produce any marked covering of short positions or a strong surge in the value of the dollar.

Sterling's decline followed a cut of 1/4 point in UK bank base rates, leaving the pound weaker against the dollar and members of the European exchange rate mechanism.

There were few other factors

and trading was generally quiet in New York. The Federal Reserve stayed out of the money market. Intervention was not expected although Federal funds traded below the assumed target level of 5% per cent.

At the London close the dollar had fallen to DM1.7065 from DM1.7140; to FF5.8060 from FF5.8225; and to SF1.4550 from SF1.4560, but had improved to Y138.40 from Y137.70. On Bank of England figures the dollar's index eased to 83.9 from 84.0.

Mr Norbert Klöten, state head of the Bundesbank in Baden-Wuerttemberg, said there is no reason for Germany to change its monetary policy at present. He said neither lower nor higher rates would fit into the current environment and at the moment the Bundesbank cannot even think about abandoning its monetary line.

This contrasted with comments made by Mr Makoto

Utsunomiya, vice minister for international affairs at the Japanese Finance Ministry. His remarks were couched in metaphor, but appeared to hint that Japan is considering easing its monetary policy.

Sterling lost its position as the second strongest member of the ERM. It slipped to third place, below the Italian lira and the top placed Spanish peseta. The peseta remained strong after the cut in UK rates, but longer term money market rates fell in Madrid on speculation that international pressure will force an easing of Spanish monetary policy.

C IN NEW YORK

	May 24	May 23	Previous
1 month	1.7310-1.7320	1.7300-1.7310	
3 months	1.7310-1.7320	1.7300-1.7310	
6 months	1.7310-1.7320	1.7300-1.7310	
12 months	1.7310-1.7320	1.7300-1.7310	

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

CURRENCY RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

CURRENCY MOVEMENTS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

OTHER CURRENCIES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

FORWARD RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

MONEY MARKETS

Base rates 11 1/2%

WHOLESALE INTEREST rates in London showed no sign of looking for the next cut in UK bank base rates yesterday.

Three-month sterling interbank rose to 11 1/2-11 3/4 from 11 1/4-11 1/2, amid muted reaction to the Bank of England's decision to sanction a cut of 1/4 point to 11% per cent in base rates. One-year money firmed to 11 1/2-11 3/4 from 11 1/4-11 1/2.

There was little surprise when the Bank of England signalled the move by cutting 1/4 point off its bill dealing

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

POUND SPOT - FORWARD AGAINST THE POUND

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

EMS EUROPEAN CURRENCY UNIT RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

EURO CURRENCY INTEREST RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

EXCHANGE CROSS RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

FT LONDON INTERBANK FIXING

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

MONEY RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LONDON MONEY RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

NEW YORK

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LONDON MONEY RATES

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

NEW YORK

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

FINANCIAL FUTURES AND OPTIONS

LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	

LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
100	92.1	92.1	
100	92.1	92.1	
100	92.1	92.1	
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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

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LIFTS LONG GILT FUTURES OPTIONS

	May 24	May 23	Previous
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LIFTS LONG GILT FUTURES OPTIONS

Rate cut fails to inspire share prices

FINANCIAL TIMES STOCK INDICES													
	May 24	May 23	May 22	May 21	May 20	Year Age	High 1991	Since Completion High Low					
Government Secs	84.24	84.47	84.48	84.37	84.18	78.25	85.88 (119/1)	82.17 (118/1)	127.4 (91/35)	40.18 (31/75)			
Fixed Interest	93.41	93.48	93.49	93.41	93.36	87.08	94.84 (5/4)	90.59 (2/1)	105.5 (28/1147)	50.53 (31/76)			
Ordinary Shares	1932.5	1945.4	1933.4	1942.5	1927.3	1800.0	2014.5 (7/4)	1608.3 (16/1)	2014.5 (54/0)	48.4 (26/840)			
Gold Mines	165.9	164.4	165.9	159.2	158.4	211.2	170.7 (14/1)	127.0 (22/2)	734.7 (12/263)	43.5 (26/1077)			
FT-SE 100 Share	2471.1	2492.8	2465.9	2492.7	2468.8	2265.8	2545.8 (16/1)	2054.9 (16/1)	2545.5 (54/0)	980.9 (237/64)			
FT-SE Eurostock 200	1165.34	1168.06	1165.21	1182.06	1154.43	-	1176.39 (16/4)	858.82 (16/1)	1178.39 (164/0)	938.82 (161/91)			
© Lond. Off. Yield © Earning Yield % © P/E Ratio SEAC Shares 1.5pm Equity Turnover(%) Equity Balance(£) Shares Traded (m)	4.94 8.67 6.75 26,274	4.92 8.59 14.20 24,000	4.95 8.65 14.33 27,236	4.93 8.64 14.33 26,176	4.95 8.69 14.22 24,575	5.11 11.59 14.22 25,638	1176.10 10.75 16.15 26,955	1045.12 10.68 15.95 26,955	1159.02 10.75 16.15 26,955	1159.02 10.68 15.95 26,955			
Ordinary Shares Index, Hourly changes	Day's High 1944.4					Day's Low 1926.1							
Open 1944.4	9 am 1938.1	10 am 1941.4	11 am 1937.4	12 pm 1929.7	1 pm 1926.9	2 pm 1927.8	3 pm 1925.5	4 pm 1926.1	Gilt Edged Bargains				
FT-SE 100, Hourly changes	Day's High 2492.0					Day's Low 2480.1							
Open 2492.0	9 am 2473.5	10 am 2477.8	11 am 2473.1	12 pm 2462.7	1 pm 2460.9	2 pm 2482.4	3 pm 2484.8	4 pm 2482.7	SE Activity 1974.				
FT-SE Eurostock 200, Hourly changes	Day's High 1169.50					Day's Low 1162.59							
Open 1168.12	10 am 1165.82	11 am 1167.49	12 pm 1165.05	1 pm 1164.71	2 pm 1165.14	3 pm 1164.37							

[illegible][illegible]

EQUITY FUTURES AND OPTIONS TRADING

UNCERTAINTY over the UK domestic political outlook depressed equity futures yesterday as dealers responded to opinion polls which gave the Labour party a clear lead over the Conservatives.

For much of the session, the June FT-SE 100 index contract traded at a narrow premium to the spot FT-SE index. This was in spite of a 0.5 percentage point reduction in interest rates.

There was some disappointment that rates had not been reduced by a full point. But the growing importance of political factors weighed more heavily on sentiment.

June FT-SE closed at 2,481, down 14 points, above the levels of the day following some late position squaring ahead of the holiday weekend. June's premium to the spot FT-SE index ended at fair value of 10 points.

In traded options, the June call was an active market ahead of the expiry of May stock options later next week. A seller of 1,000 August 220 calls boosted turnover and this deal was matched with a buyer of 725 contracts in that series.

A total of 4,411 Hanson options changed hands, equivalent to 4.4m shares. The underlying securities closed a penny firmer at 213p.

British Telecom remained an active market following its better-than-expected final results. The August 390 calls were particularly active. BP July 300 calls also featured.

COMMODITY

CRU LAGGARDS

December 31 1990 based on 5 April 1991

Electronics	+ 18.06
Stores	+ 15.28
Transport	+ 15.14
Contracting/Construction	+ 14.95
Capital Goods	+ 14.84
Chemicals	+ 14.75
Brewers and Distillers	+ 13.41
Food Manufacturing	+ 12.40
Metals	+ 12.13
Financial Group	+ 12.05
Metals & Metal Forming	+ 10.40
Instruments (Composites)	+ 10.12
Motors	+ 8.96

BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS	13.500	09/92	105.24	-01/32	10.34	10.53	10.64
	9.000	03/90	82.21	-09/32	10.29	10.33	10.12
	8.000	10/08	91.14	-14/32	10.08	10.11	9.84
US TREASURY *	8.000	05/01	99.13	+02/32	8.09	8.15	8.12
	8.125	05/21	99.98	+00/32	8.30	8.37	8.22
JAPAN	No 119	03/90	85.8416	-03/32	7.08	7.02	7.12
	No 123	04/90	86.4583	-01/32	6.88	6.85	6.72
GERMANY	8.000	01/01	104.0050	-	8.35	8.41	8.41
FRANCE	BTAN	9.000	02/96	99.5712	+0.036	8.08	8.02
	OAT	9.500	01/01	103.2400	+0.160	8.57	8.44
CANADA *	9.750	06/01	100.9000	+0.050	9.61	9.83	9.63

Hobbs & Leisure	7.45	NETHERLANDS	8.500	03/01	96.4300	+0.080	0.58	8.64	8.56
Engineering Aerospace	+7.26	AUSTRALIA	13.000	07/00	113.6703	-0.386	1.02	10.56	10.84
Gold Mining Index	+8.54	BELGIUM	10.000	06/00	104.8500	-	9.18	8.98	8.95
Insurance(Brokers)	+4.04								
Oil & Gas	+1.87								
Property	+0.29								

London closing, *denotes New York morning session
 Yields: Local market standard Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Prices Source

APPOINTMENTS

place of Mr Philip Roberts-West, who leaves to become director of finance and administration of the CHARTERED INSURANCE

Mr Phillip Yuill becomes group managing director, and chairman of three subsidiaries: Cecil M. Yuill, Throston, and Mowden Park. Mr Darcy takes

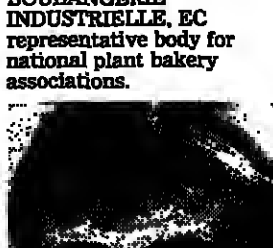
■ Mr Geoffrey K. Maddrell has been appointed non-executive chairman of DOLPHIN MEDIA, Ltd. of Man. He succeeds Mr R.T.D. Stott

■ **THEODORE GODDARD**, a City law firm, has appointed **W. Simon Holmes** as a partner.

■ **Mr Mike Handley**, managing

director of RHM Bakeries, has been elected president of the ASSOCIATION INTERNATIONALE DE LA

INDUSTRIAL, EC
representative body for
national plant bakery
associations.



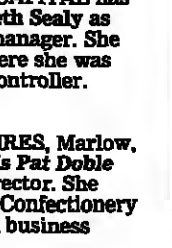
■ **DAVID ROWAN** (*pictured*) has been appointed manager of Professionals Direct, Sheffield, **NORWICH UNION's** dedicated unit servicing accountants and solicitors. He was customer services manager, and succeeds Mr Andrew Peet who has been promoted to business administration manager.

■ **CECIL M. YULL** INVESTMENTS, Hartlepool, has appointed Mr Maurice Drabble, Mr Philip Darcy and Mr Peter Prateley as directors.



■ **DAVID L. ROBERTS** has been promoted to managing director of **INFRARED ENGINEERING**, Maldon. He was business development director, and succeeds Mr Malcolm D. Nolan who continues as chairman. Mr David S. Briggs, president of the US subsidiaries, joins the board, and Professor James Ring, a non-executive director, has retired.


■ **SIR BRYAN NICHOLSON** is to be appointed a non-executive director of **GEN** from December 1. Sir Bryan has been chairman and chief executive of the Post Office since 1987.



■ **WORCESTER GROUP** has appointed Mr A. Michael Davies as a non-executive director. He is chairman of Color Group, and deputy chairman of T. Roberts.



■ **Mr Gerhard Kruessmann** (*pictured*) has become manufacturing director of **WAVIN INDUSTRIAL PRODUCTS**, the UK manufacturer of plastic pipe systems. Previously based at Wavin in Monheim, Germany, where he was plant manager, he takes over the post at Brandon, County Durham, vacated through Mr Alan Whittle's appointment as Wavin Group quality director.



■ **Mrs Susan Moon** will cover Japanese corporate and leasing company relationships in Europe in the new **MANUFACTURERS HANOVER** European securitisation and securities finance department.

■ **ABBEY NATIONAL** has appointed Mr Ian Treacy as group secretary from July 1. Mr John Ellis will be retiring as general manager and company secretary on June 30.

FT MANAGED FUNDS SERVICE

* Current Unit Trust prices are available on FT Cityline. Calls charged at 43p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring 071 825 9126

**AUTHORISED
UNIT TRUSTS**

Lot	Cong.	Mid	Offer + or	Yield
Comp	Price	Price	Price	Gr's

[illegible]

Guide to pricing of Authorised Unit Trusts

INITIAL CHARGE: Charge made on sale of **HISTORIC PRICING:** The letter H denotes

units. Used to delay marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

FORWARD PRICING: The practice of setting prices on a contract for a future date. Forward prices on a contract are set at the time the contract is entered into, and may move to forward pricing at any time.

redemption price. The maximum spread between the offer and bid prices is determined by 5 formulae laid down by the government. In practice, most will

most managers quote 5 much narrower spread. As a result, the bid price is often not above the circulation price. However, the bid price is to be paid in advance by the purchaser or him being carried out. The prices appearing in the newspaper are the most recent provided by the manager.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from most

TIME: The time shown alongside the fund manager's name is the time of the unit trust's

values are as follows: (P) - 0001 to 1000

55 Life Assurance and Unit Trust Regulatory Organisation, Gresham Place.

point, a short period of time may elapse before prices become available.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

ANNALS

1000

1971

Smith & Williamson Unit To Merge With

Reliance Unit Mgrs. Ltd C10003H	1 Building House St. London W1A 3AS	071-457-9777
	5 & W American-4	5 107.8 204.8 701.8 -4.9 1.13
	5 & W Capital	5 91.30 91.30 78.27 -1.4 2.47
	5 & W Cash	

Business Name	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-00	2100-01	2101-02	2102-03	2103-04	2104-05	2105-06	2106-07	2107-08	2108-09	2109-10	2110-11	2111-12	2112-13	2113-14	2114-15	2115-16	2116-17	2117-18	2118-19	2119-20	2120-21	2121-22	2122-23	2123-24	2124-25	2125-26	2126-27	2127-28	2128-29	2129-30	2130-31	2131-32	2132-33	2133-34	2134-35	2135-36	2136-37	2137-38	2138-39	2139-40	2140-41	2141-42	2142-43	2143-44	2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54	2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64	2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74	2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84	2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94	2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04	2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14	2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24	2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34	2234-35	2235-36	2236-37	2237-38	2238-39	2239-40	2240-41	2241-42	2242-43	2243-44	2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52	2252-53	2253-54	2254-55	2255-56	2256-57	2257-58	2258-59	2259-60	2260-61	2261-62	2262-63	2263-64	2264-65	2265-66	2266-67	2267-68	2268-69	2269-70	2270-71	2271-72	2272-73	2273-74	2274-75	2275-76	2276-77	2277-78	2278-79	2279-80	2280-81	2281-82	2282-83	2283-84	2284-85	2285-86	2286-87	2287-88	2288-89	2289-90	2290-91	2291-92	2292-93	2293-94	2294-95	2295-96	2296-97	2297-98	2298-99	2299-00	2300-01	2301-02	2302-03	2303-04	2304-05	2305-
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Rock Asset Mgmt (Unit Trust) Ltd (0905)F
Park View House, Front Street, Bournemouth

Newcastle upon Tyne NE7 7TZ (091) 215 0077
Manager 5164.95 48.33 69 311 13.75

N.A. Ruston/Cummins Plant Export C1000FF
 St South's Lane, London ECA Dealers: 071-260 5000
 RC America (Inc) tel: 613-487 3348 360-15-32 FL10

UK Financials	0.893.72	1.072	412.69	-2.61	1.10
UK Equity Inc.	0.829.10	1.29	101.99	4.15	4.01
NE Japan	0.893.32	1.95	30	1.06	
NE Major UK Cos.	0.79	1.15	25	1.1	
UK Growth	0.829.10	1.29	101.99	4.15	4.01
Managed	0.893.32	1.95	30	1.06	
UK Growth	0.79	1.15	25	1.1	

NC Supply American	6	56.57	56.57	60.89	-0.11	55.05
NC Supply Canada Co	6	41.04	41.04	44.89	-0.22	40.00
NC Supply UK Co.	6	105.73	105.73	203.23	-0.15	103.14

UK Personal Popular	UK Major Co's	UK Smaller Co's
UK Major Co's	5%	68.49
UK Smaller Co's	5%	69.65
		73.37
		80.15

UK Income	54	43.74	44.41	67.79	10.13	UK Income	54	43.74	44.41	67.79	10.13
America	54	64.36	65.30	68.73	0.46	UK Income	54	43.74	44.41	67.79	10.13
Japan	54	41.58	42.08	44.28	0.46	America	54	64.36	65.30	68.73	0.46
Europe	54	43.80	44.41	44.28	0.46	Japan	54	41.58	42.08	44.28	0.46
						Europe	54	43.80	44.41	44.28	0.46

Can. Express Int'l. Parcel Svc.	54	47.87	49.41	50.78	52.00	53.25	54.50	55.75	57.00	58.25	59.50	60.75	62.00	63.25	64.50	65.75	67.00	68.25	69.50	70.75	72.00	73.25	74.50	75.75	77.00	78.25	79.50	80.75	82.00	83.25	84.50	85.75	87.00	88.25	89.50	90.75	92.00	93.25	94.50	95.75	97.00	98.25	99.50	100.75	102.00	103.25	104.50	105.75	107.00	108.25	109.50	110.75	112.00	113.25	114.50	115.75	117.00	118.25	119.50	120.75	122.00	123.25	124.50	125.75	127.00	128.25	129.50	130.75	132.00	133.25	134.50	135.75	137.00	138.25	139.50	140.75	142.00	143.25	144.50	145.75	147.00	148.25	149.50	150.75	152.00	153.25	154.50	155.75	157.00	158.25	159.50	160.75	162.00	163.25	164.50	165.75	167.00	168.25	169.50	170.75	172.00	173.25	174.50	175.75	177.00	178.25	179.50	180.75	182.00	183.25	184.50	185.75	187.00	188.25	189.50	190.75	192.00	193.25	194.50	195.75	197.00	198.25	199.50	200.75	202.00	203.25	204.50	205.75	207.00	208.25	209.50	210.75	212.00	213.25	214.50	215.75	217.00	218.25	219.50	220.75	222.00	223.25	224.50	225.75	227.00	228.25	229.50	230.75	232.00	233.25	234.50	235.75	237.00	238.25	239.50	240.75	242.00	243.25	244.50	245.75	247.00	248.25	249.50	250.75	252.00	253.25	254.50	255.75	257.00	258.25	259.50	260.75	262.00	263.25	264.50	265.75	267.00	268.25	269.50	270.75	272.00	273.25	274.50	275.75	277.00	278.25	279.50	280.75	282.00	283.25	284.50	285.75	287.00	288.25	289.50	290.75	292.00	293.25	294.50	295.75	297.00	298.25	299.50	300.75	302.00	303.25	304.50	305.75	307.00	308.25	309.50	310.75	312.00	313.25	314.50	315.75	317.00	318.25	319.50	320.75	322.00	323.25	324.50	325.75	327.00	328.25	329.50	330.75	332.00	333.25	334.50	335.75	337.00	338.25	339.50	340.75	342.00	343.25	344.50	345.75	347.00	348.25	349.50	350.75	352.00	353.25	354.50	355.75	357.00	358.25	359.50	360.75	362.00	363.25	364.50	365.75	367.00	368.25	369.50	370.75	372.00	373.25	374.50	375.75	377.00	378.25	379.50	380.75	382.00	383.25	384.50	385.75	387.00	388.25	389.50	390.75	392.00	393.25	394.50	395.75	397.00	398.25	399.50	400.75	402.00	403.25	404.50	405.75	407.00	408.25	409.50	410.75	412.00	413.25	414.50	415.75	417.00	418.25	419.50	420.75	422.00	423.25	424.50	425.75	427.00	428.25	429.50	430.75	432.00	433.25	434.50	435.75	437.00	438.25	439.50	440.75	442.00	443.25	444.50	445.75	447.00	448.25	449.50	450.75	452.00	453.25	454.50	455.75	457.00	458.25	459.50	460.75	462.00	463.25	464.50	465.75	467.00	468.25	469.50	470.75	472.00	473.25	474.50	
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Managed	54	70.14	71.25	74.99	-12.05	-	European Acc	54	55.51	56.86	69.88	-6.11	-
											37.15	-1.15	15

...and the fact that the *Journal of Management* is the only journal in the field to have been ranked in the top 10 of the ISI Social Sciences Citation Index for 10 years in a row.

...the fact that the *in vitro* and *in vivo* results are in good agreement, and that the *in vivo* results are in good agreement with the results obtained from the *in vitro* studies.

... ..

• *Journal of the American Academy of Child and Adolescent Psychiatry*, 1997, 36, 10, 1137-1144.

the 1990s, the number of people in the United States who are 65 years of age or older is projected to increase from 20 million to 35 million, and the number of people 75 years of age or older is projected to increase from 10 million to 15 million (U.S. Census Bureau, 1996). The number of people 85 years of age or older is projected to increase from 2 million to 4 million (U.S. Census Bureau, 1996). The number of people 90 years of age or older is projected to increase from 500,000 to 1 million (U.S. Census Bureau, 1996). The number of people 95 years of age or older is projected to increase from 100,000 to 200,000 (U.S. Census Bureau, 1996). The number of people 100 years of age or older is projected to increase from 10,000 to 20,000 (U.S. Census Bureau, 1996).

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WORLD STOCK MARKETS

US MARKETS (3:00 pm)[illegible]

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NEW YORK ACTIVE STOCK

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ANADA

TORONTO		May		21		May		1991		TASWAX	
23	22	21	20	HIGH	LOW	23	22	21	20	23	22
golds & silvers	2466.00	2389.31	2391.77	63	3294.18	63/3	2632.06	69/1			
commodities	3944.29	3448.03	3447.63	63	3757.53	63/3	3635.95	65/1			
TSX 100 Portfolio	1825.92	1824.37	1825.15	63	1880.19	63/3	1686.99	63/1			

Value of all indices are based on NYSE All-Common -500, Standard & Poor's 500, and the Toronto Composite and Industrial -1000. Toronto metals based 1973 and Montreal Portfolio 4/1/80. Excludes bonds, S&P 500, Utilities, Financial and Transportation. C2 Closed, O2 Open, A2 Available.

Subject to official market close. **TSX 100** = 100. **TSX 300** = 300. **TSX 500** = 500. **TSX 1000** = 1000. **TSX 2000** = 2000. **TSX 3000** = 3000. **TSX 4000** = 4000. **TSX 5000** = 5000. **TSX 6000** = 6000. **TSX 7000** = 7000. **TSX 8000** = 8000. **TSX 9000** = 9000. **TSX 10000** = 10000. **TSX 11000** = 11000. **TSX 12000** = 12000. **TSX 13000** = 13000. **TSX 14000** = 14000. **TSX 15000** = 15000. **TSX 16000** = 16000. **TSX 17000** = 17000. **TSX 18000** = 18000. **TSX 19000** = 19000. **TSX 20000** = 20000. **TSX 21000** = 21000. **TSX 22000** = 22000. **TSX 23000** = 23000. **TSX 24000** = 24000. **TSX 25000** = 25000. **TSX 26000** = 26000. **TSX 27000** = 27000. **TSX 28000** = 28000. **TSX 29000** = 29000. **TSX 30000** = 30000. **TSX 31000** = 31000. **TSX 32000** = 32000. **TSX 33000** = 33000. **TSX 34000** = 34000. **TSX 35000** = 35000. **TSX 36000** = 36000. **TSX 37000** = 37000. **TSX 38000** = 38000. **TSX 39000** = 39000. **TSX 40000** = 40000. **TSX 41000** = 41000. **TSX 42000** = 42000. **TSX 43000** = 43000. **TSX 44000** = 44000. **TSX 45000** = 45000. **TSX 46000** = 46000. **TSX 47000** = 47000. **TSX 48000** = 48000. **TSX 49000** = 49000. **TSX 50000** = 50000. **TSX 51000** = 51000. **TSX 52000** = 52000. **TSX 53000** = 53000. **TSX 54000** = 54000. **TSX 55000** = 55000. **TSX 56000** = 56000. **TSX 57000** = 57000. **TSX 58000** = 58000. **TSX 59000** = 59000. **TSX 60000** = 60000. **TSX 61000** = 61000. **TSX 62000** = 62000. **TSX 63000** = 63000. **TSX 64000** = 64000. **TSX 65000** = 65000. **TSX 66000** = 66000. **TSX 67000** = 67000. **TSX 68000** = 68000. **TSX 69000** = 69000. **TSX 70000** = 70000. **TSX 71000** = 71000. **TSX 72000** = 72000. **TSX 73000** = 73000. **TSX 74000** = 74000. **TSX 75000** = 75000. **TSX 76000** = 76000. **TSX 77000** = 77000. **TSX 78000** = 78000. **TSX 79000** = 79000. **TSX 80000** = 80000. **TSX 81000** = 81000. **TSX 82000** = 82000. **TSX 83000** = 83000. **TSX 84000** = 84000. **TSX 85000** = 85000. **TSX 86000** = 86000. **TSX 87000** = 87000. **TSX 88000** = 88000. **TSX 89000** = 89000. **TSX 90000** = 90000. **TSX 91000** = 91000. **TSX 92000** = 92000. **TSX 93000** = 93000. **TSX 94000** = 94000. **TSX 95000** = 95000. **TSX 96000** = 96000. **TSX 97000** = 97000. **TSX 98000** = 98000. **TSX 99000** = 99000. **TSX 100000** = 100000. **TSX 101000** = 101000. **TSX 102000** = 102000. **TSX 103000** = 103000. **TSX 104000** = 104000. **TSX 105000** = 105000. **TSX 106000** = 106000. **TSX 107000** = 107000. **TSX 108000** = 108000. **TSX 109000** = 109000. **TSX 110000** = 110000. **TSX 111000** = 111000. **TSX 112000** = 112000. **TSX 113000** = 113000. **TSX 114000** = 114000. **TSX 115000** = 115000. **TSX 116000** = 116000. **TSX 117000** = 117000. **TSX 118000** = 118000. **TSX 119000** = 119000. **TSX 120000** = 120000. **TSX 121000** = 121000. **TSX 122000** = 122000. **TSX 123000** = 123000. **TSX 124000** = 124000. **TSX 125000** = 125000. **TSX 126000** = 126000. **TSX 127000** = 127000. **TSX 128000** = 128000. **TSX 129000** = 129000. **TSX 130000** = 130000. **TSX 131000** = 131000. **TSX 132000** = 132000. **TSX 133000** = 133000. **TSX 134000** = 134000. **TSX 135000** = 135000. **TSX 136000** = 136000. **TSX 137000** = 137000. **TSX 138000** = 138000. **TSX 139000** = 139000. **TSX 140000** = 140000. **TSX 141000** = 141000. **TSX 142000** = 142000. **TSX 143000** = 143000. **TSX 144000** = 144000. **TSX 145000** = 145000. **TSX 146000** = 146000. **TSX 147000** = 147000. **TSX 148000** = 148000. **TSX 149000** = 14900

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Dai Nippon Pharmar	2,120	+50
Dai Nippon Print	1,590
Dai Nippon Tsum	570	+17

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Nitto Denko	1,710	-2
Nomura	2,120	-4
Noritake	1,490	+2

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+30	Hang Lung Dev	7.20
+10	Hang Seng Bank ..	27 1/2
+20	Harbour Centre ...	7.30

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SE values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Nikkei—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/75. Excluding bonds, ^aIndustrial, plus Utilities, Financial and Transportation. ^bClosed. ^cUnavailable.

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Weekend FT

SECTION II

Weekend May 25/May 26 1991

Bigotry and death, democracy and hope

Gandhi's death threatens to tear India apart but Pran Chopra sees unsuspected strength in Indian society

THE ASSASSINATION of Rajiv Gandhi, his face blown off, the skull smashed, limb torn from limb, must be one more proof, for those wishing to believe it, that India cannot hold together much longer.

The idea is reinforced by the recent rioting during India's most violent election, which left many scores dead. This was a re-run of what had happened only seven years earlier, when Rajiv's mother, Indira Gandhi, was assassinated in a political-religious eruption. Rioters took over Delhi and killed several thousand. For years Indira Gandhi had been the only government, and none was left when she fell to the bullets of her own security guards.

Repeatedly, as the Indian drama has unfolded since independence, on August 15 1947, fate seems to slip in episodes from the same reel of violence. The most startling was the assassination of another Gandhi, the Mahatma, on January 30 1948.

The most gruesome was the bloody massacre of the partition riots, when hundreds of thousands were killed within a few weeks. The grim greyness of Hindu-Muslim riots, between opposing mobs which look alike in their poverty rags and criminal rage, is a danger ever present behind every disturbance. But often, all too often, it is broken by holocausts with more vivid colour: head-hunting tribes in the north-east battling the Indian army with their own underground "field marshals" and "generals"; the silver peace of Kashmir ending in the wailing of hundreds of Muslim women clad in black; the flowing beads of Sikh militants at the Golden Temple in Amritsar, now as often seen carrying AK-47 rifles as naked swords.

The latest tumult in this unfortunate line is also the largest. The secessionist claims of Hindu orthodoxy against the rebellious periphery, and against "ungodly guests", as it describes the Muslims.

This orthodoxy, founded upon the highest segments of the Hindu social order, the caste system, wants to curb the growing restlessness of the lower castes. The conflict has inflamed the most ancient of Indian schisms: the primordial instincts and loyalties which it can arouse shook much of northern India for several weeks over a year ago, when many young people burned themselves to death in protest against a new government's decision to give the lower castes some protective discrimination.

The soldiers of this orthodoxy are a phantasmagoria of Hindu priests and mendicants with an assortment of others who have been pouring out of their social caves for the past year or two. The cameras of news men linger over them lovingly as they swarm across the electoral

scene, or as they tried last year to pull down an ancient Muslim mosque, an event which precipitated the present elections. The strike of their pickaxes only repeated the question whether India would survive.

In reply, the Hindu orthodoxy jells an emphatic "yes" in a chorus, orchestrated by the Bharatiya Janata Party. Its leaders reject the secularism of Nehru's India vociferously and are making a strong bid for power in New Delhi. The modern-minded, liberal, democratic and secular Indian, suspecting a streak of fascism in the BJP, bites his nails in nervousness.

Whether fascist or not, the BJP has won over many in the upper business and commercial sections and the administration. It is no longer a party of fanatical youth with the financial backing of small traders. Many top military men have also joined it.

But the BJP's problem is that Hindu society is like an onion: the more you peel in search of the core the less you find it. This explains why many outside the BJP fear that its localities will first antagonise the non-Hindu and then absorb the Hindu into a vanishing nugget. These schisms and tensions, which are endemic, and the crises into which they repeatedly erupt, give the impression that India is being ground down by poverty and torn asunder by dissensions.

They give this impression until you flip the coin. Then you see a very different side of India.

The British left behind more than 500 Indian princelings: each of the 500 odd "princely states" became fully sovereign and independent. But within a couple of years, India knitted them together without firing a shot except in Kashmir, and later Hyderabad. This must rank among the largest acts of peaceful assimilation in history. It made India a larger political and administrative unit than it had ever been, under or before British rule.

Of all the territorial problems which accompanied the partition of India from Pakistan, only one now remains, in Kashmir. All other secessionist threats have been resolved: that of Tamil Nadu was resolved entirely peacefully. (The "Sikh problem" is different because the Sikhs are not secessionist; only some militants are). Within the first three years, India also accomplished one of the largest rehabilitations of refugees and displaced, and unambiguously adopted, one of the most detailed and complex constitutions.

Under this constitution, India regularly conducts the world's largest elections. The last time it did so, in 1989, it had to handle an electorate of 500m, out of whom 27m voted. Except this year, the elections have been free of any serious violence.



Images of death: Pictures of Rajiv Gandhi and of his assassinated mother, Indira, on a campaign vehicle

ence, have habitually returned centrist-liberal-democratic forces to power, have churned up a broad national consensus and have democratised, indigenised, ruralised and humanised communism more than in any other country.

Although underdevelopment persists, famine has been banished,

and production of food grains has risen fivefold. Poverty, which was absolute even by Indian standards, has been reduced by about a third. Indeed, India no longer has the cheap surplus labour it used to have. Punjabi farmers have to import labour from 1,200 miles away, from the poverty pit of Bihar.

Industrial growth touched double digits in the late eighties. Agricultural growth, though slower, maintained itself over a longer haul, became less dependent upon good weather, and showed a well co-ordinated increase in the productivity of several hundred million people. Indian industry meets around 90

per cent of the country's needs and foreign aid accounts for much less than 10 per cent of investments. More than 100m Indians have the same consumption standards as many in the lesser among the developed countries and 30m to 40m compare with those in the richest.

To an extent usually associated only with revolutions, political power has been transferred horizontally from the city to the town to the village, and from the urban-industrial to rural-agricultural interests. It has been transferred vertically from the big industry to medium entrepreneurs, from the pre-partition landed gentry to the descendants of their tenants and cultivators, then to the medium and very small land holders, and now, by hesitant steps, to the latter's hired labour and the landless. Few countries have changed so radically and so quickly by democratic means and with less violence.

The effect may be seen in most villages outside the eastern Uttar Pradesh and Bihar regions. The main shop is not very different from lesser ones in the town, television antennae poke through broken roofs, a transistor radio is often the companion of the man behind the plough. Any sizeable village would have branches of more than one well known bank. Rural households' savings contribute to the stock of city-based corporations and are an important part of the overall household savings sector, which in turn is almost a quarter of total savings, a proportion exceeded only in China.

If these bits and pieces of change seem too remote, note the following, which fits more snugly into the values of our wicked times. Between the two assassinations, of the mother in 1984 and of the son this week, India came to feature in the western media as a "rising super power" as one of them put it, or at least as a regional power, partly because of rising military spending.

Why then all those forebodings about India's future, which I described earlier, on the other side of the coin? Partly they reflect the fact that the reality is bad, and partly that the image is even worse.

In economic policy, India made the cardinal blunder of rushing forward without preparing the ground. Heavy investments were financed by deficits at home and reckless borrowings abroad, but little was done first to improve the efficiency of the capital at work. So, although the growth rate has improved, India faces its worst ever financial crisis. The resulting erosion of confidence makes further borrowings extremely difficult. Even so, the base of the economy is now much wider and stronger, so a more sound thrust forward is attainable with the right policies. Similarly, the polity is in disarray

but not in decay. Most of its critical components have greater vigour than before, and have opportunities to rebuild themselves afresh.

The Congress (I) party, in particular, has the chance to rid itself of dependence upon the crutch of the Nehru family. How ready it is to use the opportunity may be in doubt, considering the pathetic attempt to persuade Sonia Gandhi to be its next president, as though anyone is good enough if the name is right.

But it has the chance to rejuvenate itself with a collegiate of authentic leaders. Even if it does not, India now has more viable parties than ever before, each with its distinct base and policy thrust, vigorously competitive and each able to be an alternative government by itself or in coalition.

The era of the one-family party appears, happily, to be over. I am not too greatly disturbed by the powerful emergence of BJP. It might perhaps become fanatically Hindu. But more than half of its support comes from those who are disappointed with the other parties. The appeal of its dogmatic Hindu face will not prosper so long as India remains a democracy.

And I have little doubt that India will remain so. Every time India has honoured the democratic verdict, it has succeeded in solving its problems, be they the linguistic reorganisation of states in the mid-1950s or the later aspirations of Tamil Nadu or the bringing of the geographical or social fringe into the mainstream of politics.

Every time the verdict has been subverted, India has been in trouble, be it in Punjab or Assam or Kashmir. Now democracy is even more deeply integrated with the social and economic fabric, drawing strength from the lowest depths of the Indian pyramid. That is why the backward classes and castes, for the first time, have a party among the front runners for power. There is also more promise that the other great systemic tension in Indian politics, between the Union, that is the centre, and the federating states, will be resolved. The constitution provides for a healthy and flexible balance between them. But the Congress (I), subverted it. Being itself prone to a highly centralised and authoritarian style, it carried the infection into the structure of state power during its long years in office.

But this excess has brought about a widespread realisation that the imbalance must be corrected. This, and the need for decentralising power to the villages, have become a part of the emerging consensus. I can therefore see many healing tendencies which can correct the distortions of the economy and the polity. This is the aspect of the Indian reality, which registers much less, especially abroad, because it does not throw up menacing images.

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The Long View/Barry Riley

Imperial preference shared



GEORGE ROSS Goobey was 80 years old on Monday and I was privileged to be invited to his birthday party. Happily, the man who revolutionised pension fund investment back in the 1950s is enjoying the fruits of his labours in a long and active retirement.

Goobey, for those readers not yet steeped in investment folklore, was the boss of the Imperial Tobacco pension fund who swept aside the old idea that pension funds should be invested in gilt-edged and other "safe" fixed interest securities and decided instead that they should concentrate on ordinary shares.

He first put forward the shocking view as far back as 1947, when gilts yielded 2½ per cent. In due course the cult of the equity was born. Pension funds had a chance of coping with inflation.

Remarkably few, if any, other private sector schemes could boast of the same achievement. In fact the Imperial Tobacco scheme has kept up with inflation ever since, which means that every £100 of George Ross Goobey's pension back in 1974 has now been uprated to £265, and putting it the other way, a pension of £1,000 per annum in 1974 would, if left unchanged, now be worth only £222 in terms of 1974 purchasing power. Many less fortunate octogenarians, it has to be said, have indeed been subjected to this savage degree of impoverishment.

The long shadow of Lord Hanson has, however, fallen across Goobey's path, as well as ICI's. Hanson's company now owns Imperial, and the tacit promise of unlimited inflation-proofing no longer exists, although there is an overt guarantee of protection up to 10 per cent, obtained after pensioners took Hanson to court last year.

The adoption of equities by the Imperial fund, and later by all pension

schemes, marked a recognition of inflationary risks and over several decades has had an impact on the nature of the Ordinary share itself. Previously it was a risky investment on which the dividends could fluctuate widely. Now it has become a security offering a smoothed, growing income which is tailored precisely to the needs of pension fund investors. In that respect the British share is significantly different to the shares of companies in, say, Germany or Japan.

Until as recently as the 1960s it was common for company pension schemes to base their benefits upon average salaries earned during a career, and to invest the funds in fixed income securities. But even in the context of the then modest inflation rates the pensions that emerged were hopelessly inadequate.

Comprehensive inflation-proofing was seen as much too ambitious, except for the richer and more paternalistic employers such as Imperial Tobacco, but the concept of a final salary link was adopted as a compromise. The search was then on for an investment strategy that could reasonably be expected to produce assets to match the liabilities that were being lavishly accumulated.

Why equities? They give a decent initial yield, which has averaged about 5 per cent over many years, though subject to short-term variations. The assumption is that the dividends will rise in line with national income in money terms - that is, matching inflation plus economic growth. Share prices will climb in the long run in parallel with dividend growth, so the total return (income plus capital gains) will provide a margin over salary inflation to a tax-free fund. Indeed, the excess in practice has been about 3 per cent annually over 30 years.

The problem is that in the short run share prices can boom and crash. However, this can be accommodated by actuaries who value schemes on the basis of income, not capital values. The 1987 crash passed British pension schemes by, because dividends continued to climb.

The UK accounting standard SSAP 24

reflects this approach, whereas the corresponding US standard FAS 87 focuses on capital values so that US pension plans cannot properly handle the volatility of equities, and they continue to hold a lot of fixed income bonds (about 35 per cent of total portfolios) to reduce the risks, but at the expense of the overall return.

Yet actuarial tricks cannot eliminate risk in the real world. In the late 1980s and most of the 1970s the dividends of British companies were held well below inflation by freezes and squeezes. As a result pension schemes plunged into massive deficits.

In the 1980s the pendulum swung the other way: dividends boomed and huge surpluses developed. What might a deep recession and a Labour government do to dividends in the 1990s?

The commitment to equities is now almost total. The average UK pension fund, according to the latest statistics from the World Markets Company, has just 4 per cent in fixed coupon gilts (plus another 4 per cent in foreign currency bonds).

UK and overseas equities account for 78 per cent of portfolios and property and index-linked gilts for another 10 per cent. Over the 44 years since the young Goobey first shocked the Imperial Tobacco trustees with his revolutionary ideas conventional wisdom has been stood on its head.

You could just about devise a scenario under which the pensions industry would be stranded: a long industrial squeeze while the British economy struggled to adjust to low inflation and high real interest rates. After all, the 1930s produced the fear of equities and the respect for bonds which steered post-war trustees initially in quite the wrong direction. Dividends, for the first time in many years, are currently rising more slowly than employee earnings. But revolutionary voices have yet to be heard.

Meanwhile, George Ross Goobey had a lunch appointment with none other than Lord Hanson on Wednesday. They may well have had words on the protection of pensioners. But then, Lord Hanson is of pensionable age too.

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FINANCE AND THE FAMILY

London Markets

Searching for a beautiful pattern

THE OLD stock market saying "Sell in May" has been wrong for the last few years, according to Robin Aspinall of Schroders. But, he wrote on Thursday, "every proverb has its day. And today is the day."

For some, perhaps, but not for most: the market moved up on Thursday, buoyed by signals that the long-awaited base rate cut would come the next day, as it did. Yet the test of Aspinall's advice - which is based in part on "technical analysis", an examination of the pattern of recent trading - will come over the next few months.

Certainly, he is not alone among technical analysts in expecting a near-term correction. Robin Griffiths, perhaps the doyen of the breed, is expecting a 10 per cent decline in the FT-SE starting probably some time in June or July.

Griffiths says that such corrections are perfectly normal in any bull market. The FT-SE has broken through its April low of 2,465.6, he says, but has yet to break through its March low of 2,431.2. If the FT-SE did break below 2,440 or so, he says, that would be widely seen as indicating a correction to around the 2,200 level, which would form a solid base for an advance to new highs.

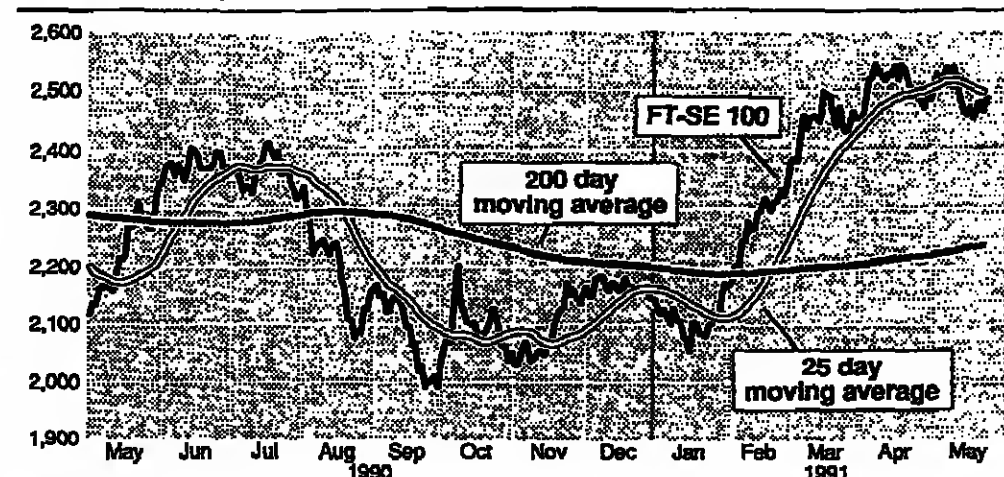
Aspinall, who uses Elliott wave theory, one of the more esoteric forms of technical analysis, lists a gaudy array of

indicators pointing downwards. One of them ("a beautiful five-wave pattern") marked a clear end to a trend on Thursday, and the beginning of another. He is expecting the FT-SE to drop to somewhere between 2,100 and 2,200 - with the possibility of a drop to around 1,900 if Wall Street also breaks badly and leads London down.

The week gave investors a sign that a trend might be starting to break down elsewhere. The Prudential, Britain's biggest institutional investor, declined to take part in a £38m rights issue for Trade Indemnity, the trade credit insurer, of which it owned 8 per cent. Trade Indemnity's share price, which closed last week at 79p, dropped 15p to close on Friday at 63p.

The Pru would not give its reasons, but they presumably reflect more a judgment on the company than a weariness with the flow of rights issues. And Trade Indemnity's seven other institutional shareholders promised to stump up their shares. None the less, with 24.6m already raised from shareholders this year and some hefty demands on cash to come, at some point a larger rights issue will meet a more general resistance. Then, for finance directors seeking to strengthen balance sheets, this particular party will be over. For the moment, it is still a lively affair. W.H. Smith's

FT-SE 100 Index



Source: Datastream

£148m rights issue, accompanied by a refinancing of its business on Wednesday by a 14p rise in the share price, and the stock closed on Friday at 39p, up 21p on the week.

Investors know they will be asked to take a big chunk of British Telecom shares in November, but this did not seem to dampen enthusiasm for the company's first £3bn annual profits figure, a 14 per cent rise on the previous year. Shares rose 10 1/4p on the day, after rising every day earlier in the week. BT shares closed the week at 379p, up 16p since the previous Friday.

Iain Vallance, BT's chairman, said there would be another 10,000 job losses to come this year on top of 18,800 last year. But he also said that growth in call volume had halved in a year, and that there was no sign yet of the trough of the recession.

Similar job cuts came from National Power, which announced plans to halve its white-collar staff. And similar economic warnings came from the Confederation of British Industry and from a number of other company chairmen. British Airways, for example, said it is making a loss in the current quarter and that scheduled traffic, though improving, is still 8 per cent below that of a year ago. The company held its dividend, however, and the shares fell only 5p on the week, to close at 181p.

The CBI's monthly survey of economic trends for May, released late on Friday, reported that the proportion of companies expecting to be able to raise prices was the lowest for 24 years, because of "a highly competitive and declining market".

Against this background, the drop in base rates on Friday was not surprising - certainly not to the markets, which had expected it a week ago. One of the cut finally came, the equity market fell, reflecting the extent to which it had been discounted in advance. FT-SE closed at 2,471.1, up 17.2 on the week. The pound weakened slightly, and the money markets indicated no speedy further cut in interest rates.

All in all, it was a difficult week for those involved in the conduct of economic policy - particularly for Robin Leigh-Pemberton, the Governor of the Bank of England, who suffered the indignity of being peppered with questions about his 17 per cent pay-rise last year on the way to address the building societies' conference. (His uncharacteristically testy response was: "I practice what I preach.")

It was also a difficult week for Sir Denys Henderson, chairman of ICI, who left a two hour meeting with Lord Hanson apparently no wiser about Hanson's intentions towards his company. The stock market retained its enthusiasm for a possible bid: ICI shares closed the week at 1240p, down 7p from the previous Friday, but 45 1/2p above the price Hanson paid for his 2.52 per cent stake.

There were persistent rumours that an ICI defence might involve linking its pharmaceutical subsidiary with Wellcome, a rival UK drugs company.

On Friday, however, Lord Hanson was indicating that he had co-operation in mind, rather than an immediate bid. Seen from ICI's headquarters at Millbank, such manoeuvres probably look like one of the beautiful five-wave patterns the chartists talk about with intricate, onerous - and ultimately dangerous.

Peter Martin

Serious Money

Step carefully through the mortgage maze

By Philip Coggan, Personal Finance Editor

HOW WOULD you like your mortgage, Sir? Capped, fixed, or floating?

House purchasers are not short of choice these days. Lenders are eager for their custom and can offer a bewildering variety of options.

Gone are the days when the average borrower had a repayment mortgage, on which the interest rate could theoretically change every month. Increased choice is normally perceived to be good news for the consumer. But this is not always the case.

Take those Halifax customers on the annual payment system, locked in until this week at a rate of 14.5 per cent. When the regime was introduced, back in 1984, it offered the customer some certainty. He or she knew her payments for the year and could budget accordingly. There was also the bonus that the effect of an increase in interest rates would be delayed.

Borrowers have at times done very well out of this system - in 1988 the rate was set at 10.3 per cent and Halifax customers relaxed while mortgage rates climbed elsewhere.

In the long run, the policy balances out. If a borrower had taken out a £40,000 mortgage in 1984 under the annual plan, his debt would now be £40,573, but he would have saved £373 in interest compared with a conventional Halifax mortgage.

But the laws of economics decree that customers will be hit harder at times of high interest rates, and will complain if trapped at a rate above the market level.

The difficulties are not confined to annual payment borrowers. Take the plight of those who opted for a fixed rate deal last year, when base rates were still 15 per cent. In September, for example, the Halifax was offering a two year fix at 13.85 per cent, the Alliance & Leicester at 13.75 per cent and the Town & County at 13.6 per cent. All those rates, after yesterday's round of cuts, are more than 1 per cent higher than the going rate.

Last September the Nationwide was offering a five year fix at 12.9 per cent. That level may have looked good at the time but it has been undercut within eight months by the market variable rate.

And it is no use trying to switch out of the Nationwide deal - you would be faced with a redemption penalty of six months' interest payments.

Now, it is more than possible that base rates will rise again over the next few years and the Nationwide fixed rate borrowers will be back in credit. But their dilemma illustrates the gambles homeowners now have to make.

Never mind the risks of selecting a house with damp rot and subsidence, the choice between a mortgage dealer's hide-out and the offices of the Def

Homeowners are spoiled for choice, but special offers should be examined carefully

Leppard appreciation society.

When they select a mortgage, homeowners (or potential homeowners) must decide whether the selected institution is a serious long term player in the housing market. If it is not, then an attractive-seeming rate now may be not quite so alluring in a few years.

The second step to follow is to sort through the special offers that may be available. Many societies, for example, give a 1 per cent discount to first time buyers for the first year, which may ease the initial struggle of coping with a mortgage. Others reduce the rates for borrowers with larger debts.

These special offers should be examined carefully. They can involve the payment of an arrangement fee, or involve penalties for early redemption. These costs should be taken into account before you opt for an apparently attractive rate.

Often special offers depend on you taking out an endowment or pension policy. Remember that there are only two basic types of mortgage: repayment or interest only. The endowment, pension and PEP plans you are offered are simply means of repaying the interest-only loan.

Be sure that you actually want such a policy and will keep up the payments; a financial adviser, who relies on them for commission, may push them hard.

If the hapless homeowner can work all these questions out, he or she is then expected to take a view on interest rates. Projecting the level of interest rates more than one year ahead is beyond most economists and has frequently eluded the best minds of the Treasury.

The homeowner cannot put his head in the sand and ignore the issue. To stick with a variable rate is to make a decision, since it ignores the option of fixing the rate at the current level.

One guide, at least, is that mortgage rates have averaged around 12.5 per cent over the last decade, so fixing the rate any higher is probably a nuisance.

Perhaps past experience, given the UK's entry into the Exchange Rate Mechanism, will be no guide to the 1990s.

An option that the vast majority of homeowners would be best advised to shun is the foreign currency mortgage.

Managers can speak all they like in the face about the cleverness of their foreign exchange forecasting techniques. Whatever they say, it makes no sense to own an asset (the house) with a value denominated in one currency and have a liability (the mortgage) denominated in another.

The best option is nearly always the simplest. Either opt for a fixed rate and trust your judgment (although try to pick a mortgage with low redemption penalties), or choose a repayment mortgage with an established society so you know that, although rates may rise or fall, they will stay in line with the market.

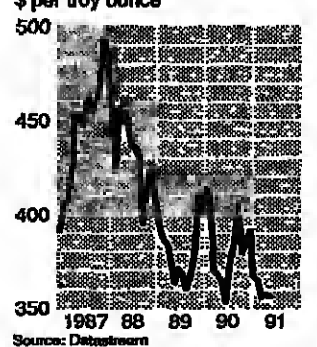
HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991 High	1991 Low	
FT-SE 100 Index	2471.1	+17.2	2545.3	2054.8	Base rate optimism
Admiral	315	+30	315	220	Takeover hopes
British Telecom	375	+18	385	268	Prelim. profits up 14%
Compass Grp.	418	-21	468	361	Analysts' forecast cuts
Cook (William)	290	+18	290	203	Good results/investment presentation
Gerrard & Nat.	349	+19	355	303	Prelim. profits up 42%
Laporte	533	-37	603	435	Analysts cut profit estimates
Miscarthy	230	+68	231	123	Hopes of counter to Grampian bid
Medeva	150x	+23	151	73	Brokers' buy recommendations
Scapa Grp.	142x	-18	159	112	Highs issue/negative views
Seaboard	212	+13	218	134	Scottish National boosts sector
Smith (W.H.) A	393	+21	397	318	Asset disposals
Sovereign Oil	110	-18	180	108	Reserves estimates cut
TSB Channel Isl.	134	-25	159	112	Bank uncovers "irregularities"
Trade Indemnity	63	-15	108	63	Rights issue/increased provisions ICI

AT A GLANCE

Gold price

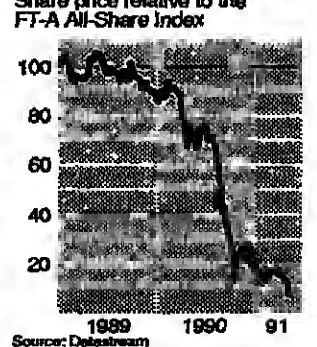
\$ per troy ounce



Source: Datastream

Brent Walker

Share price relative to the FT-A All-Share Index



Source: Datastream

Bearish case for bullion

The annual survey of the gold market by Gold Fields Mineral Services this week predicted that the gold price is unlikely to surge in 1991. The fear is that any rise in price will prompt a wave of selling by producers. Gold has disappointed its fans in recent years, failing to display its much-vaunted status as a "safe haven" investment. The Gulf War did not have the expected upward impact on the bullion price.

Troubled times for Brent Walker

Leisure group Brent Walker reported a £256m loss for 1990 this week and a £690m fall in its net assets to £135m, after a series of property write-downs. The company, led by former boxer George Walker, then presented a restructuring plan to its creditors banks. Negotiations on those plans are still continuing but despite adverse press and analysts' comment, the company's shares closed 1p up on the week at 30p.

Unit trust group's assets frozen

Unit holders in Wright Seligman's three unit trusts will have an unhappy weekend. The assets of Wright Seligman were frozen after action by the Investment Management Regulatory Organisation (IMRO) and the Securities and Investments Board (SIB) on Thursday. Dealings in the units were suspended, following the discovery of "apparent irregularities in respect of provision of margin for option dealings which may have put client assets at risk". There are funds of around £5.5m in the unit trusts and Wright Seligman also managed £7.5m for private clients, for whom Cork Gully have been appointed as trustees. Unit holders should contact Dick Morley of Lloyd's Bank on 0245-283171 ext 2233 and private clients can call Cork Gully on 071-606-7700. In units we trust: page 7, Section One.

Smaller companies fall

Smaller company shares fell last week as the early spring investor euphoria dissipated in the face of the recession. The Hoare Govett index (capital gains version) dropped 0.5 per cent to 1198.7 in the week to Thursday and the County index fell 0.7 per cent to 991.7 over the same period.

New endowment product launched

Scottish Amicable launched a new endowment mortgage product yesterday. "Home Purchase" aims to provide clients with protection and security at low cost and with the chance of early repayment, according to the society. Free life cover for up to six months is available to cover the period before moving into the property and additional life cover of up to 50 per cent of the amount of the loan can be provided under the plan. It has been written as a series of "cluster" policies, which can be surrendered independently, allowing early repayment. There are also provisions for low starting costs, with premiums increasing over the first five years.

In search of residential profits

Neill Clerk, a firm of solicitors known for sponsoring tax shelter investments under the Business Relief Schemes, has launched a residential property company which will aim to profit from the recession. The new company, Home Partners Plus, will purchase property from Abbey National Homes and Tay Homes, with a geographical spread including 42.5 per cent in the south east. Home Partners Plus will last for three years, and does not qualify for BES tax relief, but loans of up to 100 per cent are available from the Royal Bank of Scotland, at 1.475 per cent below the London Interbank Offered Rate.

HAS THE time come for the American equity investor to take some profits, pack his or her bags, and head for the beach for the summer?

The temptation to "sell in May and go away" might seem strong since the equity market, having risen by some 20 per cent in the first three months of this year, has spent the last two going precisely nowhere, with the Dow Jones Industrial Average trading in a narrow band between 2850 and 3000.

This weekend brings the Memorial Day holiday, which marks the unofficial start of the American summer. Would the investor who took off now notice any difference when he returned, relaxed and with sand between the toes, at the unofficial end of summer, which is Labor Day, September 2?

Trading over the past few days would suggest not, for the market has had a mildly listless summer air to it: up a few points, down a few, in low to moderate trading. There has been precious little economic data or corporate news to encourage a trend in any direction.

The problem is that the equity market got thoroughly ahead of itself at the start of the year, anticipating a recovery from recession which has yet to materialise.

This week did bring a few macro economic crumbs of comfort. Figures were released showing that durable goods orders increased by 2.9 per cent in April after declining for the previous three months, and this was taken by some economists as a sign that the much-heralded bottoming out of the recession will take place on cue this summer. However, durable goods figures are extremely volatile, subject to substantial revisions, and need to be taken with a large measure of salt.

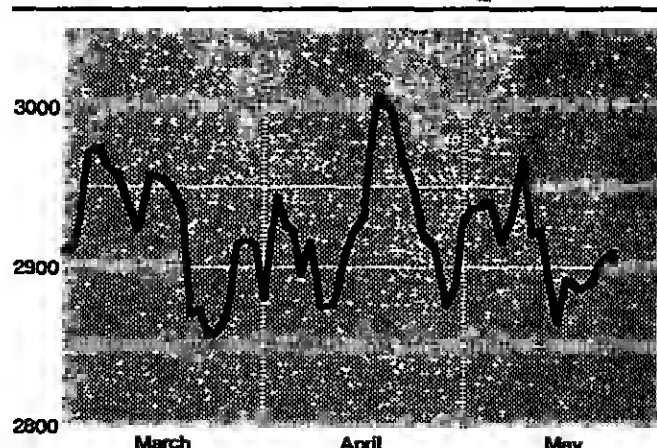
A survey by the National Association of Business Economists reported that 60 per cent of their number predicted the recession would touch bottom this quarter. But given the pessimistic mood, optimism of the past six months it is tempting to regard this as a sure sign that problems will persist well into the third quarter, if not beyond.

Certainly, there is precious little sign of a sustained

Wall Street

Time to head for the beach?

Dow Jones Industrial Average



upturn in consumer demand. US car manufacturers produced another dismal set of figures this week, showing that in mid-May the seasonally adjusted annual selling rate was a little better than the April trough, but still well down on a year ago.

But even if the summer does see a bottoming out, it remains a moot question

where the economy will go from there. The consensus suggests a V-shaped recovery, which has been the pattern in many past cycles, with the decline in growth of the past 10 months being matched by a gradual, but sure, rise on the other side of the valley.

Some fear recovery could prove so fragile that the economy turns down again later in

the year, producing a nasty W shape. This second phase, runs the argument, would stem in large measure from a downturn in business capital investment, which began in the first quarter and may have quite a way to run. Still in some sharp cuts in state government spending, as well as weakening exports, and you can work yourself into quite a state of gloom.

Doubts about the strength of capital spending may well have been reflected over the past few days in the weakness of International Business Machines' stock. IBM upset Wall Street by last month reporting a 50 per cent drop in first quarter earnings. This week several analysts said they were cutting earnings predictions for the group again.

The new forecasts caused a general flutter of stock market anxiety on Tuesday, yet in recent weeks equities have pretty well managed to distance themselves from the problems of Big Blue and the computer sector generally. In late March, just before it issued a profits warning, IBM's shares stood at around

\$128, while this week they dipped as low as \$100, a drop of about 20 per cent. Over the same period, the Dow has hardly budged.

Whether the wider market remains so sanguine will depend on the array of economic statistics of the next month or so - and how aggressively interest rates are cut to combat continued weakness. Some Wall Street bulls are convinced that the market is set for a strong summer rally which could take the Dow all the way to 3200.

Unless the economic news is consistently good, that looks a bold assumption. With shares still trading on a historic price/earnings ratio of 17 plus, the market is far from cheap and it will take a lot to push it significantly above 3000. The downside risks may be rather greater than the upside opportunities. And besides, the beach looks very tempting.

Monday	2962.22	+ 5.89
Tuesday	2908.06	+ 12.58
Wednesday	2910.23	+ 2.15
Thursday	2900.04	+ 10.59

Martin Dickson

Knowing where to point the Compass

AS THE UK recession wears down the defences of more companies, one of those still regarded as "recession-resistant" is Compass Group, the contract caterer and private hospital operator.

Compass increased pre-tax profit by 13 per cent to £15.5m in the six months to March 31 on sales of £160.8m. The period represented its setting down as a two-business group after failing to take over Skekshley and selling its building services and security activities.

What has emerged is a symbiotic pair of businesses. On one side is the highly cash generative, but more mature, contract catering and, on the other, the investment-thirsty, fast-growing private hospitals. Three smaller private health-care companies, Community Hospitals, Hoplan and Takara, have all recently tapped the market for cash.

Both parts of the group are recession-resistant, although that is not the same as recession-proof. Catering, which accounted for about 85 per cent of last year's turnover, feeds the workforces of between 2,000 and 2,500 companies

under more than 3,000 contracts. Although 110 were terminated in the first half of this year - many through business closures - 150 new ones were signed.

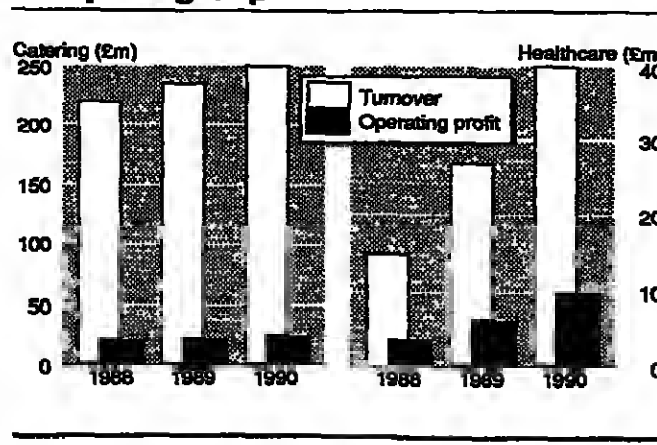
Gerry Robinson, chief executive, pointed out that unemployment meant fewer employees using the canteens and curtailed spending power. But the impact represented a dampener on growth rather than a cut in demand.

In healthcare, where nine hospitals have been added in little more than two years to bring the total to 15, there is also some vulnerability among the 25 per cent of patients who pay for themselves, although a new hip is not as likely to be deferred as, say, a carpet or a compact disc player.

More importantly, the trend for more people to be covered by insurance has yet to falter. Bupa, one of the UK's biggest private hospital operators as well as an insurer, said: "Only directors and senior managers used to be covered, now it's going right through the workforce."

Having strong cash-generating resources has been particularly important to Compass

Compass group



because, as a management buy-out, group debt has been high. Robinson led the £160m exit from Grand Metropolitan in mid-1987, setting a UK buy-out record. That was soon broken, however, by the £718m deal at MFI, the furniture company which is now struggling under the burden.

Mackay said the £130m debt taken on in the Compass

British Telecom start to come through and while it improves the performance of recently acquired hospitals.

The BT contract, which covers 3,000 catering staff, will add between £50m and £60m a year to turnover. Compass's spending power on food will go up to £15m, enabling better deals to be struck with suppliers.

A big test of management ability is under way in the four hospitals Compass bought this year for an initial £16m and an ultimate figure nearer £30m. One in Carmarthen came from the receiver and the other three, bought from a US group, made only £14,000 profit on £15.5m turnover last year.

Biggest of these, with 103 beds, is the loss-making London Independent in Stepney Green, taking Compass into the "over-bedded" capital for the first time. It is run by John Taylor, who says that "very routine management tasks were being done badly".

Beyond tidying those up, his aim is to focus attention on value for money and "create a climate where people accept that we are always asking questions, mostly can we do it better?"

When patients are interviewed about their stays, they are not asked what they think of the nurses but about what actually happened, whether they were in pain or whether the tea was cold.

With labour accounting for more than half of costs, recruitment and overtime have been clamped. Clinical managers are becoming financial and personnel managers and highly skilled nurses are "asked to make sure things are done, but not necessarily do it themselves."

Both Compass's businesses have scope for growth. Contract catering, in which its main rivals are Gardiner Merchant and Sutcliffe, still has more than half the commercial market to go for and potential also lies in the state health and education sectors.

In healthcare, where Nuffield and AMI are also established players, increased affluence, a wider insurance net and the possibility of NHS contracts suggest that the private sector's 10 per cent share of a growing market can be increased.

Jane Fuller

FINANCE AND THE FAMILY

Patience is the key to profit

Endowments are best treated as long-term savings vehicles, report Philip Coggan and John Authers

EVERYBODY these days seems to have an endowment policy. It is estimated that 75 to 80 per cent of all mortgage loans come with endowments attached, and they can be used for a host of other purposes, such as school fees planning and inheritance tax.

Whether most people who buy endowment policies know what they are getting is another matter. They are in essence a savings policy with a limited amount of life insurance cover thrown in. If the policyholder dies, a guaranteed sum will be paid out. Otherwise, the value of the endowment policy will depend on how successful the life company is at investing the premiums paid by the policyholder.

Under a *with profits* endowment, the life company pays a bonus every year, called the reversionary bonus, which once paid cannot be reversed. At the end of the policy, a further bonus, called the *terminal bonus*, will be paid, which can vary substantially in price.

Mortgage borrowers should find that the combination of reversionary and terminal bonuses is more than enough to cover the repayment of the loan, although this is not guaranteed. There is usually the prospect of a substantial excess over the loan size, which will be tax-free.

Under a *unit-linked* endowment policy, the premiums are used to buy units in an underlying fund which, it is hoped, will grow to pay off the mortgage loan - and more.

That is the good news. The bad news is that this neat situation rarely occurs. Many policyholders fail to keep up the payments for the full 10, 15 or 25 years of the policy; one industry estimate is that fewer than one in eight do so.

Surrendering an endowment policy is disheartening. In the early years you may find that the bulk of your premiums have gone to pay the commission income of the person who sold it to you. Even if you have kept up a 25 year policy for, say, 12 years, surrender can prove disappointing because of the lack of a terminal bonus.

The tendency for most investors to lose patience with such an investment means that it is often not an appropriate policy. So why are so many sold



with mortgages? Because the lenders and advisers who earn the selling are interested in the commission they bring.

An endowment policy can, as we shall show this and next week, offer value. But if you are the sort of person whose New Year's resolutions last only till January 4, endowment policies are not for you.

SCHOOL FEES

MORTGAGES are not the only vehicles salesmen have discovered for selling endowment policies. School fees - for many people the biggest outlay they ever make, apart from their house - can be paid using an endowment.

Life offices offer a range of suitably labyrinthine policies to allow you to pay school fees out of income. The fact that you ideally need to start paying the premiums ten years before your child starts at school is a problem for many, but some parents start school fees plans while

the future pupil is not even a twinkle in their eyes.

A guaranteed endowment policy (which does not pay out any extra profits) can ease the pain. If school fees will stretch you, it is best to find out what you will be asked to pay and take a policy which can guarantee to pay this much.

However, these policies tend to have relatively high premiums and relatively low chances of significant growth. If you have more flexibility, tax-efficient products such as Peps and Tassas might aid long-term saving for fees.

The life assurance route is preferable to waiting until the last minute and then taking out a loan. If you do this, one of the most popular schemes on the market, offered by the National Westminster Bank and backed by the Independent Schools Information Service, provides you with an endowment policy to repay your loan. Again, several advisers suggest

re-mortgaging might make more sense.

Weddings, particularly in the Asian community, are another big expense often funded with an endowment policy. Again, they only conclusively beat alternative savings mediums if you have a fixed sum you want to raise by a certain date and you are averse to any risk of falling short of this.

Endowments can also be sold as part of a tax planning package. "Qualifying" policies, with a premium paid at regular intervals, offer shelter from top-rate tax, although basic rate tax is still payable. If you take a bullish view of the life company's investment performance, they might make sense.

High income individuals can use endowments for planning inheritance tax, says Barry Stillerman of Stoy Hayward. If you take out a policy in the name of one of your heirs and pay the

premiums out of income, it does not count towards your IHT liability. Provided you can persuade tax inspectors that the premiums were paid out of income, not capital, you will not need to use any of your exempt gift allowances. However, this route is not open to many.

RESELLING

SURRENDERING endowment policies before their maturity seldom makes sense from a purely financial point of view - you can get better returns by waiting. However, if circumstances

EXAMPLES OF POLICY PURCHASES

Life Office	Term (yrs)	Maturity	Surrender (£)	Purchase (£)
Scott Amic	18	6.1.98	15,500	10,162
Scott Mut	17	28.12.95	20,850	22,890
Legal & Gen	25	27.11.98	8,338	7,100
Prudential	15	1.12.97	1,828	1,561
Friends Prov	20	2.11.98	1,120	9,381
Stand Life	14	12.8.98	3,347	3,748
Stand Life	25	5.3.98	17,580	18,350

Source: Beale Dobie

Mortgages cut again

MORTGAGE RATES were cut by several leading borrowers yesterday as they passed on the half percentage point base rate cut in full.

The Halifax made life easier for the smaller building societies by making an early announcement that it would reduce its core mortgage rate by 0.5 per cent to 12.45 per cent. Jim Birrell, the chief executive, proudly described this as the "lowest level for 2 1/2 years".

Leeds Permanent quickly followed, cutting its rate by the same amount to 12.45 per cent. Both cuts came into effect for existing borrowers on July 1.

Abbey National, the second biggest lender, also announced a cut in rates of 0.5 per cent to 12.35 per cent. John Bayliss, managing director, said this was the lowest for three years.

Smaller societies to cut rates included Bristol & West, which substantially under-cut the market by making a 0.95 per cent cut to 11.95 per cent. The cut comes into effect for new borrowers from the beginning of next month, and for existing borrowers from August 1. Bristol & West said it had worked on the assumption that another half percentage point base rate cut will come soon.

Northern Rock cut to 12.45 per cent for new borrowers with a reduction for existing borrowers to follow in July. The range of discounts offered by market lenders complicates the picture but provides some very attractive rates for first-time buyers, seen as vital in the attempt to revive the housing market.

Abbey National increased its first-time buyers' discount to 1.5 per cent from 1.25 per cent. There are also discounts for larger loans which allow the Abbey to offer a rate of under 10 per cent - 9.95 per cent - for first-time buyers borrowing £100,000 or more.

At the Halifax, a first-time buyer wanting a mortgage of more than £80,000 can borrow at 10.45 per cent - a 2 per cent discount is in operation for the first year of the loan. There is a 1.5 per cent discount for first-time buyers borrowing less than £80,000.

One year discounts give Lloyds a rate for first-time buyers of 10.70 per cent, while the

Leeds offers 11.45 per cent and Midland offers 11.55 per cent.

Other building societies which quickly confirmed that a cut would be made but delayed decisions on how much it will be include Alliance & Leicester, Britannia, Bradford & Bingley, Cheltenham & Gloucester, Woolwich, and Yorkshire. Existing borrowers would probably receive their cut in rates on July 1.

Meanwhile, Nationwide Anglia, the second biggest building society, which made a 0.7 per cent cut to 12.25 per cent in its mortgage rate two weeks ago, announced that it would not make a further cut in response to the latest fall in base rates. John Hutchinson, the society's director, said: "Clearly other major lenders have had some time to consider following the lead we announced on May 6 when we introduced a 0.7 per cent mortgage rate cut."

The Nationwide's cut does not come into force for existing borrowers until July 1. Centralised lenders were non-committal about core rate cuts. The Mortgage Corporation has deferred a decision until next week and the option of not making a cut has been left open.

Most banks picked up the trend, with Lloyds the first to make an announcement. Like the Halifax, typical existing borrowers will from the beginning of July pay 12.45 per cent, no longer 12.55 per cent.

Midland cut by 0.55 percentage points, from the higher level of 13.1 per cent down to 12.55 per cent. The rate for pension and endowment mortgages of more than £50,000 drops from 12.5 per cent to 12.35 per cent. The rate for pension and endowment mortgages of more than £50,000 drops from 12.5 per cent to 12.35 per cent. The rate for pension and endowment mortgages of more than £50,000 drops from 12.5 per cent to 12.35 per cent.

However, National Westminster left its mortgages unaltered. The bank will make a decision next week, having reviewed the state of the market over the weekend. NatWest did decide to reduce its rates for savers, with immediate effect. Its current account now pays only 2.375 per cent gross.

The Royal Bank of Scotland and TSB also deferred decisions on mortgage rates.

John Authers

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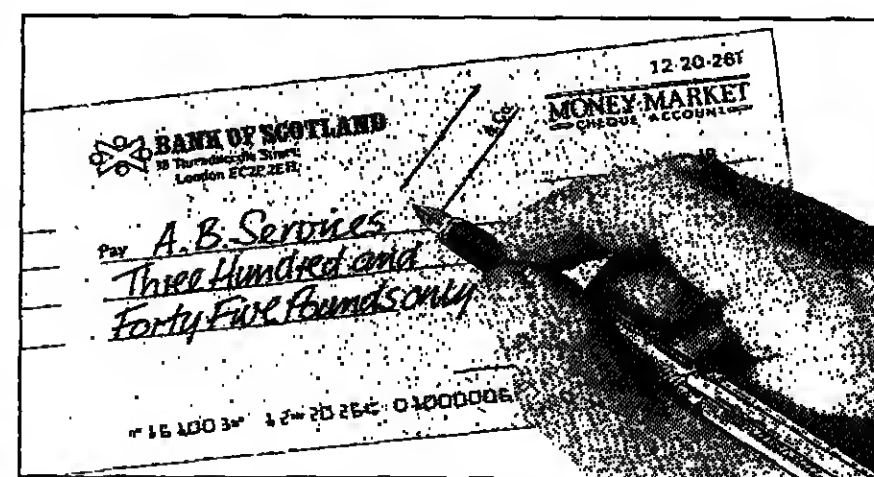
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FOOD & DRINK

Blaye deserves more attention

Classy clarets are expensive. But Edmund Penning-Rowell has an alternative

BLAZE is probably least visited of the larger Bordeaux wine districts. Blaye is 46km from north to south, and 30km east to west. It faces Margaux across the Gironde; in the south it adjoins the Côte de Bourg and in the north merges with the Charente.

In the Bordeaux hierarchy these "Côte" wines, which include Castillon, France and the Premières Côtes, rank just above the generic appellations of Bordeaux and Bordeaux Supérieur, but like the others, several of the 480 growers are making efforts to raise the quality, while maintaining good value.

Much of the district is attractive rolling country, although towards the east it tends to be flat, with poor soil that bears no wine appellation, but cultivates wheat asparagus.

Blaye is on an estuary that figured prominently in the Hundred Years War. It is dominated by the enormous Citadel, covering 95 acres. Vanha's masterpiece of military architecture was built in 1588 and, like the smaller Fort de Médoc, he built on the other side of the river, it was to protect Bordeaux from the still allegedly threatening English.

Twenty two of the 40 communes in the Blaye district produce wine. A proportion just produce plain *vin de table*. Three of the best wines, Floc, Berson and Cars are all in the neighbourhood of Blaye itself. By far the greatest proportion is red, about 200,000 hl a year - although rather more in the record 1990. There are two appellation con-

trôles, Blaye or Blayais (little used now) and Premières Côtes de Blaye. The differences are a minimum of 10 degrees in strength and a maximum base yield, subject to annual differences, of 55 hl per ha, and 10.5 degrees and 50 hl per ha. The leading growths all opt for the higher appellation.

About 20 growers produce white Premières Côtes de Blaye, and this is when the impetus to higher quality levels lies, although there is still more made of plain, undistinguished white Blaye Blanc.

Blaye is Merlot country, with an average of 70 per cent of total red production. From this is produced the early-maturing wines that are "Côte" specialties. They have the advantage over Fronsac and Bourg of being much less tannic, and, depending - of course - on the vintage, readily drinkable after four or five years; all too often they are drunk earlier.

At one time the Cabernet-Sauvignon was the most planted red grape, and in some of the best estates it is well represented. Bertinierie is 60 per cent Cabernet-Sauvignon. Perenne, the largest vineyard of 60 ha, bought by a Danish group in 1989, is 44 per cent Cabernet-Sauvignon and 20 per cent Cabernet-Franc, and La Ravellierie is 60 per cent Cabernet. In nearly all estates Cabernet-Sauvignon is the second variety

planted.

White Blayais are usually undistinguished because they are undistinguished grapes and are fermented in the traditional way that provides little real flavour or freshness. For the whites there is an additional AC - Côte de Blaye. With this, as with the basic one, it is permitted to use not only Sauvignon and Sémillon, as in the rest of the Gironde, but Colombard, which may be a favourite grape in California but is thought little of in France.

Then there are the Folle Blanche and the Ugni Blanc, which are only good enough to provide the basic wines for distillation on the other side of the Charente boundary. But for the Premières Côtes whites only the Sémillon, Sauvignon and, marginally, Muscadelle are allowed. The 15-20 growers seeking quality are working principally on these grapes, using a slightly higher minimum strength and lower yield. About 20,000 hl are produced, compared with 25,000 hl for the lower ACs.

Three of these growers stand out as part of the "new wave" of dry white Bordeaux. First, undoubtedly, is Bertinierie. The 1989 wine has a concentrated, moderately oaky, well-balanced long taste that is very distinctive. It is made with 100 per cent hand-picked Sauvignon grapes

in a district almost universally machine-harvested, and is macerated before fermentation in 100 per cent new oak. Oddbins sell it at \$6.59, and the attractive 1988 red at \$4.89, unusual here for having only 15 per cent Merlot.

The second estate setting out to make a new wave Blaye is Les Tourtes, also with 100 per cent Sau-



vignon, maceration and low-temperature fermentation in new oak, but this needs time. The third is the enterprising Civrac co-op of Les Hauts de Gironde. Unlike most co-ops, it is full of new equipment producing an excellent skin-contact, non-oaked 1990 Sauvignon with a peachy bouquet.

Nearly half the red and a good deal more than half the white Blaye is sold in bulk to the Bordeaux

trading for blending, thus losing any identity. Traditionally, Blaye has relied on its *vente directe* to private customers and a little to restaurants, which altogether accounts for about two-thirds of total red AC output. Direct selling rests not on cellar door purchases by visitors, but on strenuous door-to-door selling in the non-wine-producing regions to the north, particularly in Normandy and the country districts south of Paris and around Chartres.

Nearly all the 200 growers who bottle and market their own wine engage to some extent in this trade, but the specialists are the Carreaux, who between them own four châteaux and 200 ha of vineyard, and their cousins the Sabourins. The Carreaux, headed by Xavier Carreau, president of the Blaye Syndicat, spend three months a year in Normandy where they have 12,000 customers. The Sabourins cover a sales territory further south in Normandy.

By most French wine region standards it is an odd trade, in what they call *cubains* which we know as bags-in-a-box. This is combined with wines sold in returnable, chestnut quarter-casks, holding the equivalent of 75 bottles apiece. To match these 15-bottle cases are also sold, so that the empty bottles can be re-used to bottle subsequent cask consignments. The *cubains* customers

hold the equivalent of 37 bottles and each delivery is accompanied by corks marked *mise en bouteille par l'acheteur* and appropriate chateau labels.

After 1992 will the English Channel remain the only barrier to, and thereafter the Channel Tunnel provide the means of access for these vineyard vendors?

Blaye wines tend to develop differently from those in the Médoc opposite. The soil has more clay (*argile-calcaire*) and so holds the water better than in the gravelly Médoc, where it swiftly drains through. Blaye is less subject to drought.

While the 1989 clarets are highly praised throughout the Gironde, the classic vintage in Blaye is 1988; it is not yet ready but should be very fruity with plenty behind it. I even had very drinkable '88s, notably at Perenne, one of the most promising of the estates, with a particularly good '88. Although most '88s are still very tannic and astringent here they were more developed, and often softish, while the '86s are better constituted and should keep well. The deep coloured, rich-flavoured '90s are promising, to be bought and kept.

The big export market is Belgium, followed by the Netherlands and Denmark. About 20 growers are said to import to Britain, but on

lists to hand Blayais are regrettably rare. One of the best I visited was Sociando. Its fruitily-but-still-to-develop '88 is listed by Lay & Wheeler of Colchester at \$5.35.

Of the 14 '88 reds from châteaux I had been unable to visit, but since tasted, I picked out four: Haut Gerol, Monfollé, a single cru from the Carreau co-op, Les Tourtes and Les Malines. Barry Bros & Rudd of St James have the '86 at \$4.60. Fields of Sloane Avenue, SW3 show the Ségonzac '86 (\$5.35). The 1981 enjoyed at the chateau, but not the La Croix de Bousset '86 (\$3.79) or the Foc-lanche '86 (\$4.59) from Peatling of Bury St Edmunds. A very of Bristol has the '87 (\$4.37) and '86 La Menaudat, owned by the Cruise family of Bordeaux.

I visited it, and found the '87 surprisingly full; and this was followed by the very complete '79, which like the '78 at Monfollé-Gazin, showed that well-made Blayais can improve and keep with age.

The Bordeaux merchants seldom visit Blaye, but rely on brokers to send samples, often of just bulk wines at a stated price level, and the time-pressed British companies on buying trips rarely find time to go so far afield. Blaye, therefore, like its neighbours, receives less attention than it deserves at a time when classy clarets are mostly so expensive. So those on lists here are worth inspecting.

For visitors to the area there is an extensive range of red and white wines in the *enormous* in the Syndicat Viticole in the main street of Blaye. And those in the Médoc can cross the Gironde by the Lamasque-Blaye ferry three or four times a day.

Cookery

The delectable buds of May

Philippa Davenport with recipes that demand a good turn of speed from the cook

MY THEME this week is speed. Speed on two counts. First elderflowers, and the season for which is so fleeting that you are liable to miss it if you delay between seeing the blossom and picking it. In my area the flowerbuds have just formed so I can risk 40 whisks perhaps, and readers in the north and Scotland can probably afford to relax a bit longer, but those in favourably sheltered southern and west country areas ought to be on their marks, ready to get set and go.

The delectable muscat quality of elder blossom never ceases to amaze me. Like the

scent of wallflowers it seems unexpectedly glorious coming from such plain-faced flowers. Pommies on elderflowers and relish them fresh, dripping with butter for the best-ever fritters. Add them to the pan when cooking little green gooseberries and use them to make faintly fizzing pails of elderflower champagne, far and away the best "country wine" in my reckoning. Most important of all, because it is so versatile and such a concentrated elixir, make elderflower syrup.

ELDERFLOWER SYRUP
Use this to flavour and sweeten all manner of gooseberry puddings, pies, ice-creams, sorbets and jams. Include it in autumn

mousses and jellies studded with muscat grapes. Drizzle it over pancakes and add it to frozen gooseberries in winter to bring back memories of summer. Last, but not least, turn elderflower syrup into a deliciously refreshing cordial on hot summer days. Pour a couple of spoonfuls of the syrup into a tall glass, add a few ice cubes, a generous slug of freshly squeezed lemon juice and top up with chilled mineral water, preferably a fizzy variety.

To make the basic syrup, first grate the zest of one lemon into a large saucepan. Add 1/2 lb sugar, pour on 1 pt water and bring to the boil. Add 12 heads of elderflower,



or 24 if you love them extravagantly. The blossoms should be picked well away from main roads, freshly unfurled to the full, and shaken lightly to dislodge any dust or insects they may harbour. Cut the stalks short, close to the creamy heads, as you drop the blossoms into the pan. Push them well down into the liquid and bring back to the boil.

Cover and set aside until cold. Then squeeze the juice of the lemon, stir it into the syrup, strain and bottle. If stored in the fridge this should keep for nearly a year, almost hiding you over to use in elderflower season to the next.

My second thoughts about speed are of more immediate concern for everyone. Another bank holiday this weekend confirms the summer has arrived, technically anyway. Even those who have hibernated happily in their armchairs all winter long must be ready to cast a clout and get out and about by now.

The trouble about outings is that they tend to mean late returns home and the homecoming party will often be tired and maybe a little scratchy as well as hungry. I speak for myself here. The thought of having to cook as well as having to prepare and wash up the picnic things is unalluring at the end of a long day. Short orders are the best answer when tempers are short.

Henrietta Green and Marie-Pierre Moine come to the rescue with practical inspiration for just such occasions in *10-Minute Cuisine* (Conran, October \$14.95). What makes the book so appealing is the sippy way it ideas as bright as its flavours.

Most cooks could glean some useful tips from this book, and although it assumes some culinary experience, its theme of speed should win it friends among novice cooks - because what beginners need as much as anything else, surely, is quick rewards to spur them on. It would be a good book for a student setting up in a first time flat, or to put into the hands of a reluctant-cook partner as you slip away to, say, Tuscany, for a week.

Mark you I think the 10-minute promise is pushing it a bit (the book title was chosen to echo Edouard de Pomiane's classic, I dare say). None of the recipes is elaborate or lengthy but I doubt that many cooks are quite that nifty.

CHICKEN BREASTS WITH COURGETTES & TARRAGON (Serves 4)
This recipe and the next comes from *10-Minute Cuisine*, happy proof that fast food need not mean Big Macs.

3 courgettes; a few sprigs of tarragon; 7 fl oz chicken stock; 1 tablespoon white wine vinegar; 4 boneless chicken breasts; 2 oz butter.

Roughly slice the courgettes and spread them evenly in a sauté pan. Sprinkle them with half the tarragon leaves. Pour on the chicken stock and vinegar. Cover the pan and steam-boil over moderate heat for a couple of minutes.

Meanwhile slice the chicken breasts and cut each in half lengthways. Place the chicken pieces over the courgettes, sprinkle with sea salt and the remaining tarragon leaves. Cover and steam-boil for five minutes.

Remove the chicken and courgettes from the pan, put them on a warmed plate and keep hot. Turn up the heat under the pan and whisk the butter into the cooking liquid. Season this sauce and pour it over the chicken.

BLACK PUDDING WITH APPLE (Serves 4)
As the authors point out, some butchers still make their own black puddings and these are often worth buying. Otherwise look out for fresh black puddings rather than pre-packed varieties. If you can get hold of black pudding made by Fife butcher Fred Stahly you might have a champion dish on your hands.

At any rate his black pudding, a secret family recipe that includes "a wee dram of Drambuie", came first in a field of 600 entries from all round the world at the recent *Concours International du Miel*.

leur Boudin in Normandy.

1 1/2 oz butter; 2 sweet dessert apples such as Cox's or russets - as they they cook fast, hold their shape well and have a good depth of flavour; 1 lb black pudding; 4 fl oz dry cider; 2 teaspoons mustard. Melt two-thirds of the butter in a frying pan. Core the apples but do not peel and cut them into 8 slices. Add the apples to the pan and fry them over a low heat.

Cut the black pudding into slices about 1/4-inch thick, which will cook fast without collapsing. Push the apples to the side of the pan and add the black pudding. Fry the black pudding over a low heat for three to four minutes on each side.

Using a slotted spoon, remove the black pudding and apple from the pan, arrange them on a warmed plate and keep hot. Turn up the heat under the pan and pour in the cider. Scrape the pan well with a wooden spoon to deglaze. Season the sauce with sea salt and pepper and pour it over the black pudding.

■ ■ ■
The grumblings got into my article last week on greenery. It is lovage and not sorrel leaves which you wrap around a rabbit or chicken joints to protect and aromatise the meat or use when boiling a gammon or bacon joint.

Food Books

Poison pen

THERE ARE one or two crumbs of comfort in Professor Richard Lacey's *Unit for Human Consumption* (Socient Press, £12.99) for the Ministry of Agriculture, Fisheries and Food.

The cover will not lure many impulse purchasers; the revealing tables at the end of each chapter are poorly displayed, and, most disappointingly, there is not even a brief history of the ministry's shortcomings over the past decade - shortcomings which have led to Britain's miserable tally of more than 1m cases of food poisoning a year.

This will be small comfort for the bureaucrats, compared to the book by Lacey, Professor of Clinical Microbiology at the University of Leeds, Yorkshire, has been pushing in to the flabby underbelly of their ministry since 1984.

In that year there were two large outbreaks of salmonella poisoning in the UK. The first at Stanley Road Hospital, Wakefield, where 455 cases led to 19 deaths; the second, less widely publicised, on British Airways resulted in 766 cases and two deaths.

Between 1983 and 1986 the reported cases of salmonella poisoning in the UK increased 15-fold. Lacey has launched a three-pronged attack. The first argued that whatever the government chooses to do, or not, about the safety of the food we eat, ultimate responsibility for our own personal and kitchen hygiene lies with us. His *Safe Shopping, Safe Cooking, Safe Eating* (Penguin £2.95 1989) laid out many practical rules we can and should observe in our homes.

Lacey's other two main arguments form the basis of this book. First, he believes that the Second World War united farmers, business and the Ministry of Agriculture, and as a result the British consumer has been badly neglected. This has led to the approval and wide-spread use of BSE (bovine spongiform encephalitis), a hormone which stimulates the production of milk, already in oversupply, and the failure to acknowledge that the egg rather than the chicken is the home of salmonella. Lacey

urges the compulsory identification of eggs with their farm of origin.

More worrying is the failure of this government to acknowledge the scale of the problem posed by BSE (bovine spongiform encephalopathy or "mad cow disease"). Lacey estimates that the chance of BSE spreading from cattle to man is higher than 50 per cent and argues that the greatest danger from British beef, given the illness's long incubation period, is to the most vulnerable in our society, young children and pregnant women.

Lacey's other preoccupation is with the changing forms of food-processing and preparation. The cook chill system, which has an annual value of £200m and an important role in such institutions as National Health hospitals, has been introduced without sufficient controls while the long term safety of the microwave - and there are more microwave ovens per capita in the UK than any other country - has yet to be proved.

The extension of pub hours poses another threat: food that would have been thrown out at closing time after lunch, sits around waiting for the next lucky customer. Lacey's solution would be an agency responsible for food safety independent of the government yet answerable to Parliament. This, along with all the other pleas for greater consumer protection, seems to fall on deaf ears at MAFF and will continue to do so until safety and quality are given the same prominence as quantity, and therefore price, in the virtues we look for in our food.

There remains the problem of how Lacey's message will get across to the nation. This book does not boast great literary style, yet its contents affect every one of us. My fervent wish is that Lacey's next book will be written in conjunction with a popular journalist. Or that Yorkshire Television, also based in Leeds, can be persuaded to bring his message to the same size of audience. For, as they have won for *The Darling Buds of May*, Lacey's message is that important.

Nicholas Lander

Appetisers

WHAT do champagne producers have in common with Geras? Fallen heroes, every one. Britain's champagne imports halved in the first three months of this year. In more visible protest at rising prices with no sign of rising quality, several influential compilers of wine lists have let France's prototype fizz out its traditional special enclosure marked "Champagne" to fend for itself with allcomers from around the world under the generic heading "sparkling wines." One wine that subsequently demonstrates why is Antioch extra brut. It costs about £11.60 a bottle but happily withstands comparison with cheap champagne, especially for those who like a bit of age and depth. Stockists include Lay & Wheeler of Colchester, Smedley Vintners of Lillies near Luton, John Ford Wines of Hove, Sussex and Valvona & Crolla of Edinburgh.

■ ■ ■
AT THIS time of year the need for a house white, the wine to keep in the fridge door, becomes more pressing. For around £3 a bottle there is little shortage of clean, crisp, well-made wines with no rough edges but very little

character. Flavour seems to cost about £1 per bottle more and has, so far, rarely come from Italy at this price level.

The 1990s whites from the Viticoltori dell'Acquese are a revelation however - especially their Cortese del Piemonte 1990 which brings you real finesse, structure, and pear-like flavour for £2.95 from the Barnes Wine Shop, London SW13 and £3.99 from Wheelers of Wandsworth, SW18.

James Robinson

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DIVERSIONS



Gazebo with a view: the Sunday Times Edwardian Garden at the Chelsea Flower Show includes a waterfall, a section of canal and a teak bench inspired by Chippendale

Hits in subtle hues

THE CHELSEA Flower Show is always a matter of hits and misses: the hits strike home harder on the rebound. The big growers of clematis no longer turn up; paeonies are having a lull; somebody now fashions bird-baths out of pairs of cupped, caring hands made of artificial stone. The *Daily Telegraph* was showing a Gothic retreat on the edge of its herbal paradise, the discreet figure of a nude female, made out of evergreens, was crouched in a position which reminded me of Eve in Milton's *Paradise Lost*. No doubt you remember the fuses in which she laments how the Garden of Eden "mocks her scant maturing".

Among this year's hits, my personal best was not a commercial exhibit. It left the trade growers in an altogether lower class. As you entered the main tent and escaped the mini-tractors perhaps you, too, noticed the superb display of hybrid orchids from the Eric Young Foundation on Jersey.

I have never seen a better display of orchids at any show in my lifetime. The Foundation's Cymbidiums were gleaming with a deep, rich yellow; the hybrids with the blood of the *Ladies Slipper* orchid were better shaped and more clearly coloured than anything brought to Chelsea by the trade. There were moon orchids, *Miltonias* and dozens of the crosses and selections which the Foundation's expert curators have continued since the founder's death. The late Eric Young made a fortune, based on

jewellery shops on Jersey. He spent a generous part of it on orchids and their breeding, the new jewels from the botanical world which can otherwise be seen only by visitors to the Foundation's glasshouses in season.

Orchids may seem daunting to many owners of conservatories; at the other end of the tent, they could enjoy the possibilities opened by a new exhibitor. Noel Kingsbury runs Sunbeam Nurseries at Frampton Cotterell, Avon (tel: 0454-776926); gardening ran in his father's blood, too, perhaps without the accompanying ear-rings, and Kingsbury claims to offer "the widest selection available to the general public" of conservatory and tender plants.

The Kingsbury range certainly had me struggling: he sells 10 different *Banksias* from a handsome Australian family. He offers an old-fashioned Abutilon called *Souvenir de Ben*. If you want something new indoors or in a pot outdoors during the summer, the Kingsbury catalogue needs careful study. Almost before you could say *FAO* each, I had ordered a violet-flowered beauty called *Alyonine* and three of the brilliant blue plants called *Tweedie*, which lend height to the summer bedding schemes at Sissinghurst. If in doubt, perhaps you should arrange a visit of inspection 19 on the M4. "A wicked

rumour has been circulated", his catalogue advises, "that the nursery is hidden behind a scrapyard".

On more familiar ground, David Austin has made another breakthrough in the range of English roses which he breeds at Althorpe, near Wolverhampton. Five years ago, we were all welcoming the first of his clear yellows, the vigorous Graham Thomas. Since then, it has proved its stamina but

Robin Lane-Fox picks his favourites at this year's Chelsea Show

the colouring has also proved its strength. The yellow is a butter-yellow which is best isolated in a mixed border.

Now, we have the newly-bred *The Pilgrim*. Instead, it seems to be just as strong but its heavily-petalled flowers are a clear lemon-yellow which is much easier to place. I could picture it at once in dozens of combinations, perhaps especially with the blues of the *campanula* family. It has the blood of the strident old busby *Chinatown* in its parentage which has surfaced in vigour but not in violent colour.

Apart from new plants, Chelsea has an ever-wider opening for the newer nurseries. Exhibitors can only show by invitation and as some of the bigger companies fade or avoid the expense, smaller exhibitors have stepped to give the show a distinctive tone. Their owners go to infinite pains as arrangers of colour: their climbing plants are cleverly planned and they exploit the pale colours of pink and lilac in their lesser-known border plants.

Orange is out, except on stands which glare, such as the Birmingham City Council's riot of red-hot municipal taste.

In quite a different style, Rushfields Nursery, of Leabury, stood out from the pack. It made such sensitive use of colour and chose its rare plants with care. It takes an artist's eye to mix white and blue.

Since the mid-1980s, the Royal Parks at Chelsea have reminded us that British bedding out can be a work of art. The remainder has yet to take root in most of our front gardens but I hope that this year's apprentices will have fanned out through the country by the 21st century and put it to rights. If you want to join in and take up an apprenticeship, ring Mrs Bryant on 081-859-4859. Otherwise, ask for a list of plants which the Royal Parks use and privatise them in your own borders, making yourself an apprentice to these public masters of the art.

Biennials that break the rules

BIENNIAL plants, as their name suggests, should complete their life cycle in two years, germinating their seed and making much of their growth the first year, flowering, setting and ripening their seed and then dying the second year. However, not many plants actually stick rigidly to this regime.

Even the foxglove, which normally has a two-year life span, will occasionally live on for a third or even a fourth year. And it is from the biennial stock, *Mathiola incana*, that the ten week stock, which is an annual, the *Brompton* stock, which is a biennial and the *Lothian* stock, which can be sown to flower late that same year, have all been bred.

The garden sweet williams all come from a common ancestor, *Dianthus barbatus*. This is a perennial but some varieties are grown as annuals, some as biennials and just a few as perennials though they can have rather short lives unless frequently rejuvenated from cuttings.

Garden varieties of the common wallflower, *Cheiranthus cheiri*, are nearly always grown as biennials but the wild species will usually live for years when established in stony places. There are also double flowered varieties, such as *Harpur* *crewe*, which set no seed and must be renewed from cuttings, which extend their life indefinitely. Some think that *Harpur* *crewe* has been grown since Elizabethan times but I know of no hard evidence of this.

At this time of year thoughts turn to biennial plants because May and June are usually the best months during which to sow them. In most cases the seed can be sown outdoors in a well prepared bed from which seedlings can be transplanted as soon as they can be handled, either into a nursery bed or, if they are not liable to be smothered by older or faster growing plants, directly where they will flower the following spring or early summer.

When biennials have finished flowering they can be thrown on the compost heap, but many kinds will renew themselves from self-sown seeds if the plants are left in the garden to complete their life and scatter their ripe seed.

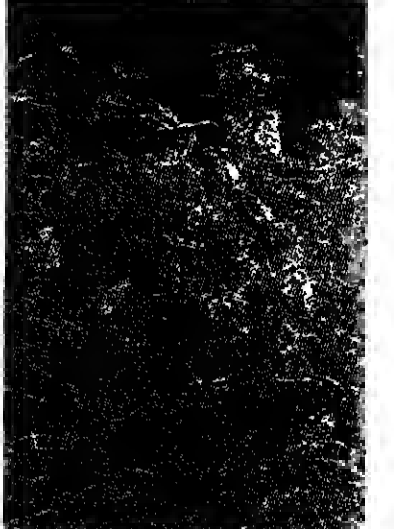
I practise a variation of this system with forget-me-nots, which grow very well as biennials on my rather heavy, moisture-retentive soil. I pull up the plants when the flowers have faded and scatter them over the soil wherever I want forget-me-nots the following year. They ripen and drop their seeds and the plants remain for a while, giving both shade and protection to the seed and seedlings.

Another biennial that is self-perpetuating in my garden is honesty, *Lunaria annua*. It is unfortunate that the botanist who named this plant called it "annua" for it never, to my knowledge, behaves as an annual but is reliable on a two year cycle. It is a bold, upstanding plant with big, loose sprays of four-petalled, magenta or white flowers in May and June followed by oval, parchment-like seed vessels which make excellent winter decoration.

Many years ago I started with both colours and they have main-

tained themselves in roughly equal numbers. Some years ago they spread out of the garden into the hedgerows of the farm lane where they have been joined by the forget-me-nots, an object lesson in ecology in which I have played only the minor role of preventing the newcomers being overrun by brambles, nettles and other rampant plants.

I used to have some honesty plants which developed heavily variegated leaves in their second year. The variegation was cream and irregularly splashed over the leaves and was effective but a little untidy. I have not seen any for a year or so but I dare say some are hanging around and that the population may build up again one day. This is a recognised variety marketed as *Lunaria annua* variegata and coming through to type from seed, which can be purchased from Chiltern Seeds, Bortle Stile, Ulverston, Cumbria.



Campanula: a genuine biennial

A genuine biennial, which I have never seen grown in any other way, is *Campanula medium*, popularly known as Canterbury Bells. This is a sturdy erect and rather leafy plant with large, deeply bell-shaped flowers in July and August. Gardeners have selected varieties which have a second row of petals around the main flower, giving it a cup-and-saucer effect and others with even more petals producing a fully double flower.

All these forms are available in various shades of blue, pink and white. The seeds are best sown in a frame or propagator as they are very small and like a temperature around 70° F for germination. The seedlings are also small and best pricked out into trays or seed pans until large enough to be safe outdoors in a nursery bed.

Nowadays I see fewer of these sumptuous plants, as they are so much associated with cottage gardens. I think this may be because they take up rather a lot of space and have a short flowering season, but when they are out one begins to wonder why one ever went without them.

Arthur Hellyer

As They Say In Europe

And God created Edith

EDITH CRESSON faced a torrent of innuendo from the right as soon as she was promoted to prime minister by President Mitterrand. It was not just the unsavoury Jean-Marie Le Pen of the National Front who said things like "A lady of the harem who marks the end of the reign." The left wing *Liberation* trotted out: "And God Created Woman." President Mitterrand is known as God.

Liberation's headlines are a topic in their own right. On Sunday, Cresson in a television interview outlined her plans - at least she revealed how she would proceed, but not what she was going to do. *Liberation* ran the story under "Discourse on Method" the title of a work by the 17th century thinker, Rene Descartes.

The French have lived under the Cartesian lash for three centuries: it demands a rigorously analytical approach and total clarity. So *Liberation* covered most of the rest of its front page with the following sentence: "Still avoiding any commitment on a policy whose main outlines will be presented Wednesday, to deputies and senators, Edith Cresson strives to mark out the difference, notably vis-a-vis Michel Rocard, expressing herself more fully further, with words she wants to be direct and familiar, in wishing her government a more collective form of work."

Descartes built his reputation on what became known as dualism - the split between the mind and body. Nowhere is this duality to be seen more clearly than in *La Pigeon* when it starts talking about Mitterrand. The appointment of Cresson allowed the mind to disappear almost entirely. One editorialist, Alain Peyrefitte, wrote: "In April 1962, when Georges Pompidou was named prime minister, the left squealed: 'You dare to take a man from private life who isn't a parliamentarian!' Mr Mitterrand designated a woman who

isn't a parliamentarian. Not a murmur from the left."

It may be the fact that Cresson had been a minister that ensured the mobs did not take to the streets in response to this revelation of base hypocrisy. So, unlike irony, was employed instead. The next editorial was headed, "The president's man."

But when it came to a real hatchet job, the most impressive work appeared in the pages of the French affect to *despise, France Soir*. In the column entitled, *Les Impertinents*, Claude Vincent wrote of the "rejoicing" that the elevation of Cresson had evoked. "I am astonished that these eulogies aren't directed at the man who deserves them. It is a little inept to compliment Edith Cresson on being a woman, instead our fervent gratitude should be directed at the president of the Republic. He invented this novelty. Ah, thank you Mr President. Having given us a product of a *grande école*, a Gaullist, a blockhead and a horse, you have now given birth to a daughter of fire whom you will send to Japan, a la française, as a threat to the world."

Back at *Le Figaro*, there next came a commentary headed: "The debacle announced." It opened with the words: "The French are gallant. They saluted the nomination of Edith Cresson as head of the government with courtesy." Descartes chose his words carefully. He wrote, "I think, therefore I am." Not the more obvious "I am, therefore I think."

The next item may need explanation. It concerns the saga of the pink tank of Prague. In a central district there stands a Soviet tank. It is said to be the first one into Prague when it

was liberated on May 9 1945. In view of the subsequent role of the Soviet armed forces in Czechoslovakia one can understand that this tank is viewed in an equivocal light by the natives.

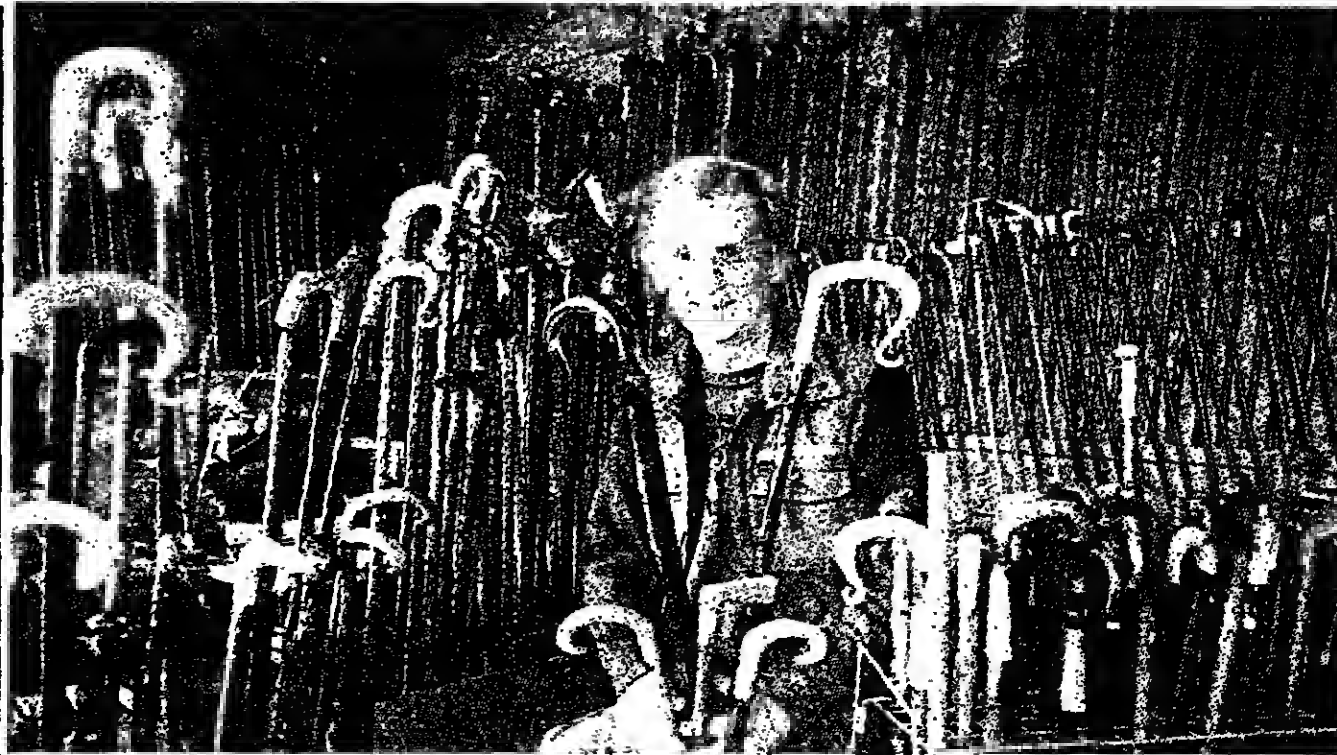
On April 26 an art student, David Cerny, painted it pink. The Soviet embassy complained; Cerny was arrested and charged under the law on "hooliganism" which was used against anybody who annoyed the communists. Apologies were made and the tank repainted for the anniversary.

On May 18, 30 members of parliament painted the tank pink again. There was a tremendous row. President Havel said it would upset relations with Moscow. Moscow said it had and there was a vote in parliament to withdraw the immunity of the deputies so they could be prosecuted.

Every street vendor was selling pink tanks; the supply side response was impressive. Czechoslovakia is about to fall apart at the seams. But the newspapers have been dominated by the pink tank. Even the normally amusing *Jiri Hanak* in *Lidove Noviny* was troubled. "I am not going to defend the tank's green colour," he wrote, "nor the tank itself acting as a monument, it is a nasty artefact telling lies about history. But let's concentrate on the main issue: the strange intervention of the painters." Hanak argued that there could be no breach of the law in a democracy. "Eighteen months ago we froze on the squares, jingling our keys and chanting. We are different from them. Are we not becoming similar to them now? Is contempt for the law, even an out-of-date law like this, really the best way to be different from them?"

James Morgan

James Morgan is Economics Correspondent of the BBC World Service.



Proselytising bactrophile: Theo Fossel, stickmaker, in his workshop in Beaconsfield

Trevor Humphries

Hobby Horses/Nigel Spivey

A passion for sticks

THEO FOSSSEL, of Beaconsfield, Buckinghamshire, is generally acknowledged as one of the world's greatest bactrophiles. That is to say, his life's enthusiasm centres on collecting old sticks, making new sticks, brandishing sticks at anyone who cares to listen to him on the subject.

He has abandoned his former job in air traffic control and spends his time proselytising for sticks around Britain, Europe and the US. The motor car, he says, nearly put the stick out of existence; but the stick is fighting back. He holds courses in stick-making and stick-dressing at Beaconsfield and elsewhere. He has founded a Stickmakers' Guild, produced a video on the craft of stick

production, and is working on his second book of sticks.

He makes a good evangelist for sticks; primed in anecdotal learning designed to make you wonder how you lived without one. Tutenkamen had 300 deposited among the treasures of his grave. The Zulus were so devoted to their knobkerries that when the British administration issued an edict prescribing the size of the knobkerrie head as to be no bigger than could fit into an owner's mouth, the Zulus slit their mouths to make them bigger.

Kelly's Directory circa 1900 lists more than 30 specialist stick and umbrella suppliers. Trade of canes with China used to run into millions. The renaissance of sticks will never reach those levels, of course,

but the past population of sticks does mean that they can be collected with some success, being just the sort of thing you come across at the back of your great-uncle's potting shed.

Theo's collection runs to over 600 examples from 1631 onwards. There is the stick made of a shark's spine. There is the rummage stick, used by customs men to poke about for contraband; there is the smuggler's stick, hollowed out to carry contraband. There is the stick which flicks out a knife blade, a stick with a torch at one end, and a stick whose head is a golf driver, devised for Scotsmen to surreptitiously swing on the Sabbath.

Many sticks are etched and personalised; many would get you arrested if you carried on the street; but if you became a connoisseur of fine sticks, you would be in good company.

Lord Carrington likes a handsome stick; so too the Duke of Edinburgh. Some antiquities dealers are wise to the value of sticks: Michael German, in London's Kensington Church Street, is one such. If I were to compute the number of hours of my boyhood spent whittling at sticks with a penknife, I imagine the total would equate to several days. A stick is therapeutic to make, even if you use it rarely. Having met Theo, I realise that I did not make sticks, but bodge bits of wood. There are many skills involved in collecting the right raw materials and Theo has the trait - shared by

many whose hobbies take over their lives - of making you feel that you are being initiated into a conspiracy of expertise. Hence of the pruning clippers you take on stick foraging expeditions: "I use CEKA 5673 Ratchet Cutters..." and so on.

It is wise to have much wisdom about wood. National Health sticks are made out of sweet chestnut, and there is even a British Standards number for the NH sweet chestnut stick; but Theo's favourite is blackthorn, whose bark comes under a deep red with varnish and whose surface is sometimes endowed with totally regular knobs. Blackthorn makes a sturdy walking aid and would be excellent for the thashing a ruffian, if it came to that.

Theo and fellow craftsmen have made sticks for the great and good and claim that there is no limit to what they can do in terms of ingenious handles. The Prince of Wales has a stick whose head reproduces the features of a well-loved dog called Tiger; all he had to do was send a photograph. The Prince has studied anthropology and probably knows about the totemic powers of a stick. Ultimately, we love sticks for a primitive motivation, as symbols of power. Sergeant majors and hisshops know about that; and if Theo Fossel has his way, we shall all one day find our own sticks.

■ Theo Fossel, Stickmaker, can be contacted at 119 Station Road, Beaconsfield, Bucks. HP9 1LG. Tel: 0494-672343.

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HOW TO SPEND IT

The Season is on us — but what to wear and where to find it? Lucia van der Post finds the specialists who dress the smartest ladies in town

Where to find a walk-in wardrobe

OH, what a whirl the British summer season is. There is Glyndebourne to be visited, Ascot to be grazed, there are weddings, and polo — Gloucester is so much closer than Smith's Lawn, don't you think? There are the British summer tribal rites — the 21sts and anniversaries, the lunches in marquees, dances in barns and tea-parties on lawns. All require a proper wardrobe to match. For some, this is a serious business which starts in January with visits to milliners and stores, dressmakers and cobblers. But some of

the best-dressed women in town do it another way — they have found a specialist shop run by somebody whose taste and style they trust and to whom they turn whenever struck by that feeling that they "haven't a thing to wear." These shops are usually small and reflect the highly personal taste of the person who runs it, who skilfully edits the current looks to suit the customer. They are rewarded by a coterie of devoted fans who go back time and time again. Here are just a few...

LAURA B

Ewa Lewis is Social Editor of *Tatler* magazine and quite apart from the fact that with a house in London, another in the country, two children and a husband, she leads a very busy private life, her job requires a certain sort of wardrobe as well. Ewa is a devoted fan of Laura B, with whom she keeps in regular touch and to whom she turns whenever her wardrobe needs updating, or the call for a new outfit becomes too strong to resist. Laura B seems more like a club — without the membership fee — than a shop. Run by Laura Benjamin, it is on the first floor of a charming small house in Chelsea's Walton Street. There Laura Benjamin has a small collection of the sort of smart, glamorous, sassy clothes she knows her clientele will love. These are mainly clothes for big occasions — for weddings

and Ascot, for parties and going out. Mostly they reflect her own personal taste and she is her own best advertisement. She is good at finding less expensive versions of the season's main trends — this season, for instance, there is a shocking pink braided suit with girly buttons, curvy jackets and short snappy skirts in strong colours, an Audrey Hepburn-style simple shift dress, as well as flattering evening trousers and little flirty pleated skirts. Jackets start at £275, skirts at £85. Ewa Lewis discovered Laura B when she met her at a party (Laura B goes to LOTS of parties). "At that time," says Ewa, "Laura had a line of clothes she sold at her own flat by appointment only. The first time I went there I found just one dress — a navy blue one with tiny dots and long pleats — and I found that I wore it and wore it. In fact I'm still wearing it." "The next time I went I didn't find anything at all but it didn't matter — Laura has

this talent for welcoming you back like a friend. You felt almost as if you were rummaging in her wardrobe and the selling of the clothes was accidental. She runs Laura B in much the same way except that you can go any time you want. "However, it is still like visiting a private house — you press the doorbell, are let into what seems like a charming sitting-room with magazines and antiques and you are offered coffee or a glass of white wine. "It is like going to see a friend. You don't feel pressured — you might think you would, but you don't. I feel less pressurised there than I do in most of the smart shops. That's her talent. And you trust her because she tells you if it doesn't suit you, and if an £80 blouse suits you better than a £180 blouse she will tell you that, too. "Every season I go and look there first because once I went after I'd bought everything I needed and I was heartbroken she had everything I had wanted but her things were all nicer than the ones I'd already bought. "Sometimes Laura will ring and say 'I've got a real cracker for you.' She knows what suits me and the point is that there is no obligation to buy. "Her clothes are very well-tailored. They all sit very well on the shoulder and on the hip. I buy all my jackets from her. This season I've bought more than ever before as I felt in need of some retail therapy. I've bought four suits, a navy blue and white spotted linen day dress and a very sassy cocktail dress. "I could go through my whole working life with what I already have in my wardrobe but I'm fascinated by clothes, they are a great joy. I do not say next four suits but each one gives me great pleasure. And Laura's prices are very good. She seems to have this knack of tracking down people in France and Italy who are good at giving the current look without changing the earth for it. "I usually buy my evening dresses from Caroline Butler (69 Prince of Wales Mansions, 071-622-6468) or from Murray Arkfeld. For hats, which I wear all the time because I've got such fine hair, I go to Herbert Johnson. There's a lovely lady

there called Sylvia who is just like Laura in that she will never sell you something that doesn't suit you. I trust her."

■ Laura B, 25b Walton Street, London SW3.

PALMER

LIKE most successful small shops with a strong personal handling, Palmer is lovingly tended by its owner, Hanna Palmer. Most of its clothes reflect her own expert eye and flawless taste. It, too, has a club-like feel. Many of her customers seem to know each other but even those who don't seem to feel a bond, a sense of kinship, and are drawn together in a restrained, upper-class way by their mutual reliance on Hanna's guidance. The newcomer to Palmer immediately senses that here is somebody who knows what she is doing. The shop is small and compact but conceals a very skilfully edited version of the current season's looks. Do not, however, suppose that good taste is the same as dull taste. Palmer has a wild, pure silk Moschino shirt with a

"necklace" of over-sized green and white artificial flowers. Then there is a Moschino black evening jacket embellished with sequined motifs of guitars and triangles — wonderful, if, at £1,800, out of the question for most of us. Moschino is one of Palmer's favourite designers but there is also Rens Lange, a German designer with an Armani-like sense of casual elegance and a sophisticated colour palette. Neither of these, of course are cheap. Lange suits tend to be about £1,000 though there is also MaxMara at about £400. Lady Havers, wife of Lord (Michael) Havers and mother of Nigel, is a loyal customer. "I discovered Palmer by chance, ten or eleven years ago," she told me. "I had parked my car near by and I happened to need some new clothes so I wandered in and there was Hanna with a huge smile and a great welcome. "Hanna has this amazing ability to pick out something that will work for me. I don't believe in buying for special events. I tend to come in at the beginning of the season and pick out things that I know will work with what I've already got.

"Hanna is wonderful at helping to give new life to things already in the wardrobe, to freshen up a look. For instance, I had a cream button-through cotton skirt that I'd worn for years and Hanna showed me a Dolce e Gabbana fine cream silk sweater which looks wonderful with it. "I find that the great thing about buying good-quality garments is that they do last for years. I never throw anything away. I'm a great hoarder. Sometimes things get pensioned off for a while and then get brought out again. I take great care of my clothes. I put plastic wraps over all the hangers and wrap sweaters and shawls in zippered plastic bags. What I love is that there isn't too much to choose from (I hate those shops where there is so much that you are just bewildered) and that she can always produce the jewellery, the belt, the hat that brings the outfit to life. "I buy very carefully and give it great thought. Clothes have to work for me and fit into my life. I don't impulse buy at all except for shawls which I have a weakness for."

■ Palmer, 48 Motcomb Street, London SW1X 3JU.



Lady Havers in a Moschino black and white viscose suit, £730

CIBI

CIBI is a small, glittery shop in Knightsbridge's select Beauchamp Place, unashamedly exuberant among the restrained good taste all around. Here the Bradbury family — mother Chrissi and daughters Gina and Julia — have collected a group of devoted customers who frequently become friends — not only of the Bradburys but of each other. All day long they drift in and out, trying on clothes, matching up colours and swatches, chatting about parties — last week's, this week's, next week's. They tend to come by word of mouth, from friends of friends, or from the stands they always take at the Burleigh horse trials where they make quite a splash among the mounted Barbours and sober tweeds. Customers tend to be the sort with well-known national names attached to them — Fawley (estate agents), Budge (transport), Vyner (cutlery) and the like. Then there is Gill Thomas, a well-known horse owner, who is a devoted fan and is "either in my breeches in the middle of a field or glammed up to the hilt for a cocktail party at Blenheim Palace." They also dress Gill Thomas's dog (this is the kind of customer they get).

Gill is a particular fan of their leather-ware. "Horses can slobber on it and it just wipes clean. My most useful garment is a suede jacket with a quilted gold front with silk tassels. I love all their suede jackets and buy far too many of them. I've just bought a bright yellow outfit to match my new Ferrari. As you can see I'm not a subtle person. I tend to buy flashy things because when you're tired they lift you up."

Averil Glatman discovered CIBI in Sheffield and now she turns to Chrissi for most of the event clothes that her busy social life requires. "I know I could ring her from Timbuktu (and one day I will) and say 'I want a ball-gown for Friday week' and when I get back it would be ready."

CIBI, as you may have gathered, is a shop with a strong personality — you will either like everything in the shop or nothing. There is a ready-to-wear collection designed by Chrissi but CIBI will customise any of the garments. They know what their customers want and what they want, it seems, is glitz, fun and pizzazz, frills and flounces. Nothing is too much trouble. You want that blouse with these sleeves? Of course. You'd like a bigger flounce here and a different button there? That's just fine. And no extra charge. Prices are high (between £800 and £1,000 for a dress on suit) but then materials are of the best — suede from Wales and silks from the same factory that Versace and other couturiers use — and they will alter or make it in your size for the same price. Some of their most popular styles, like the Polly suede jacket, are never taken out of the range. "If over sales are low," says Julia, "we put this jacket in the window and — whoopee! — up they go."

Averil Glatman probably sums up the appeal of the shop best when she says: "Buying anywhere else is so impersonal. Chrissi and her daughters are my friends. They care about me, not just my cheque."

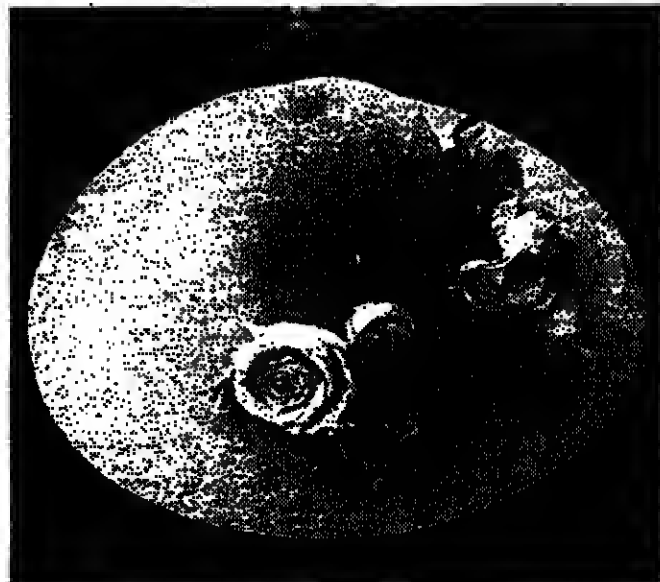
■ CIBI, 49 Beauchamp Place, Knightsbridge, London SW3 and 772 Eoekshall Road, Sheffield S11 8TB.



Ewa Lewis in one of Laura B's black and white uncrushable linen suits. Jacket, £275, skirt £85. White straw hat by Herbert Johnson

Hats for the summer ahead

NO SERIOUS dresser would contemplate the summer season without a proper chapeau, or two or three. Indeed, there is a view that it is the tribal rites of the British upper-classes which have kept our couture milliners so spectacularly inventive through the years. The latest international wonder-boy is Philip Treacy, first spotted by clever Victor Edelstein three years ago when he was still at college, recruited to the hats for Marc Bohan's first collection for Hartnell in January when he just out of college, and now a sought-after hatter with a London studio all his own. Philip Treacy's hats have a special quality of light-heartedness. He has managed to show that hats can break new ground and still be charming. "Being modern doesn't have to mean space-age. I think it is always possible to make the past newer." The design



In romantic mood: Gilly Forge's rose-trimmed fine straw hat, £220

photographed above, for instance, is, he says, "about the charm of how a child would wear bows in her hair. I like very light, fluid lines which are often very flattering. "The most important thing of all is to make the customer feel comfortable so that they wear the hat and the hat isn't wearing them. The stronger the hat, the more they should be worn with a certain throwaway insouciance, rather

as if it were a beret. Hats, after all, shouldn't be taken too seriously, they are meant to be entertaining. "He likes to go for a strong silhouette ("the more directional millinery is quite stark at the moment") and believes that less fuss is important — "fewer roses, tulle and net." He has his own studio at 67, Elizabeth Street, London SW1 (Tel: 071-259-0604) but is available by appointment only. However, Harrods of Knightsbridge, London SW1, Fortnum & Mason of Piccadilly, London W1, Hartnell, 26 Bruton Street, London W1 and Harvey Nichols, Knightsbridge, London SW1 all have a good selection. Prices start at £30 and go on up to £800 for the most exclusive and singular designs. Gilly Forge can also be consulted for those who want an exclusive made-to-measure numero for a special occasion. Though she is perhaps



Spectacular cotton organdie by Philip Treacy for Marc Bohan's collection at Hartnell

best-known for her flower-strewn straws she also has a stronger, more graphic line in bright colours and stripes for those who want something a little less romantically romantic. Her studio is at 14 Addison Avenue, London W11 (Tel: 071-693-8833) but Fortnum & Mason and Lucienne Phillips of Knightsbridge, London SW1 both carry some of her hats. Prices range from £85 to £250.

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TRAVEL

Cold Turkey,
hot massage

Nicholas Woodworth searches for warmth after an uncomfortable stay in the old part of Istanbul

I HAVE taken a room in Sultanahmet, in the old part of Istanbul. It is not much of a room - a narrow bed, two metal-framed chairs, a worn rug on the floor. It is noisy. Across the hall a broken toilet cistern gushes away day and night. From the depths of the lift-shaft, where the cage sits in eternal rest at the third floor, floods a high-pitched radio wall of Turkish music, but from my window I can gaze out on to a different Istanbul - one which, from the towers of the luxury hotels across the Golden Horn, is invisible. On the other side of a narrow street, where children kick balls and bellowing Turks sell sliced cucumber from barrows, is an old building. Now a worker's tenement, it was once an Ottoman law court. Even in the grey light of early evening in April it glows a rich sassa colour. Despite the falling plaster work, the weeds that grow in its eave-troughs and the pigeons that, cooing, nest in the open lattice-work under its roof, it remains a piece of oriental splendour.

There are cracked marble arches, worn Arabic inscriptions - over stone-cased entrance-ways, broken upstairs balconies sculpted in designs of geometrical intricacy. Most beautiful of all, the building is decorated with falcon talon-work of

turquoise and cobalt irises, as rich and lustreous as the day it was fired. Solid and thick-walled, this is a building worthy of an empire that once stretched from the palaces of Morocco to the gates of Vienna. And like much of Istanbul, it has since become shabby and mysterious. This is a city of dark corners where the past skulks, brooding over its losses.

Much as I like to sit on my bed and gaze at the ruins of long-dead sultans, by 7pm on this particular evening I can do so no longer - the room is freezing. Winter stays late in Istanbul and the start of the tourist season is still more than a month away. The hotel manager tells me it is not worth turning the heat on for just one guest. Through the broken panes of the old law court windows I can see bundled workers crouching over paraffin stoves cooking their dinners; even they look less cold than I.

In the spice bazaar by the Galata bridge I have seen perfume merchants selling, among 100 other fragrances, a warm and exotic-smelling concoction called Istanbul Nights. If I walk through the real Istanbul I doubt that night will evoke quite the same romance as the perfume, but at least it might be warming.

It isn't.

Outside, the air is opaque grey, a sharp, cold soup of mist, car exhaust and smoke from the numerous brown coal with which the city heats its homes. It wraps everything, mosques, minarets, domes and bazaars, in a thin pall, making this secretive city more secretive still. Agatha Christie and Graham Greene did not have to bring mystery to Istanbul. It is at home here, sitting at the end of every dim alley.

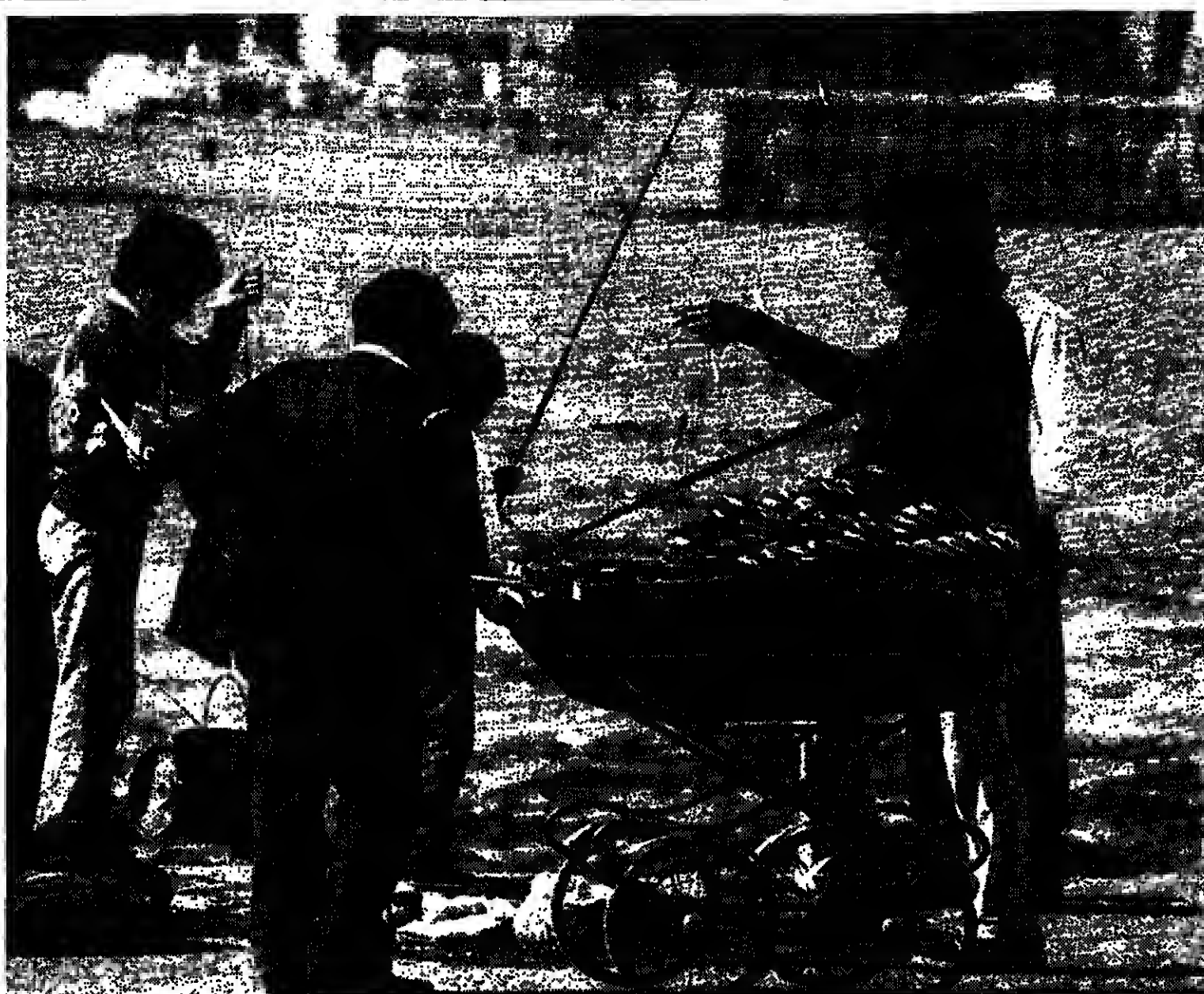
On Divan Yolu, the street that runs through the old city towards Santa Sophia and the great Blue Mosque, I walk past the detritus of 3,000 years of history: blackened byzantine columns, sunken hippodromes, the weathered tombs of Ottoman dignitaries. None, at the moment, appeal; I am looking for somewhere warm. Just past the Atik Ali Pasha mosque, I see lights shining from the window of a circular, domed building, and a sign marked "Nargile Salonu". Surely a Turkish smoking salon will be warm?

It is warm, but the fog of smoke inside is twice as thick as that outside. Seated in a circle of 40 silent, intently smoking Turks, I am brought a glass water-pipe with a long hose-like stem and brass mouthpiece. Tea is served in small, waisted glasses and a glowing coal is placed on the plug of tobacco at the top of my pipe.

I begin to puff, making gung-gung sounds as smoke bubbles up through the water in the bowl. It adds to the gung-gunging of 40 other pipes. But instead of sinking into a nicotine reverie like my companions, my head swims and my eyes stream. After 15 minutes I can stand it no longer. I stagger through thick clouds of smoke to the doorway, and flee.

In the maze of narrow streets behind Kapali Carsi, the vast covered market which is frantic in daytime but now locked and deserted, I become wholly lost and a little bit frightened. There are no street lights. I wander along, pulled forward by occasional dim bulbs glowing in the distance.

I make my way over greasy cobbles, splash through potholes, trip over piles of refuse where cats crunch and eat. There is little sign of life. Only rarely is there the sound of footsteps. Now and then,



On the waterfront Istanbul wears its air of mystery and history like a cloak

solitary walkers loom out of the darkness, pass by, and disappear. The street takes a sudden plunge downhill, and I follow. Somewhere in the gloom below, ships are feeling their way southwards from the Black Sea. Down by the waterfront, where Europe faces Asia across the narrow Bosphorus, I am sure I will find life and a little warmth.

Some way down the hill, more lights appear. Suddenly there are sweet stalls, small eating places where the odour of charred lamb wafts out into the street, cigarette-fogged tea houses where men sit playing endless backgammon. But I am feeling colder than ever. What attracts me, once again, is a sign. It reads Sifa Hammam. If the Turkish

smoking salon did not work out, surely a Turkish bath will.

Inside, the atmosphere is thick and obscuring. This is a world of steam, not nargile smoke. Draped in a towel, I am led through cool rooms, warm rooms, and into the heart of the baths where warm vapour drifts in a large, marble-lined chamber.

There are half-a-dozen men here. Some are washing at carved stone floor-basins in little alcoves that lead off the main chamber. One is doing some complicated Turkish calisthenics. Others sit and sweat. I am shown to a raised marble dais, heated from underneath and hot to the touch. I lie down and poach for 20 minutes.

About to fall asleep, I am clapped on the shoulder by a man with vast nostrils and an even vaster belly. He may look like a professional wrestler, but this is Muhammed, the bath's masseur. Nonetheless, there is a good deal of the wrestler in him.

He is a man who does not understand the meaning of the word "gentle" in any language I can summon. Does he even know it in Turkish? He merely growls in response to my protest, and single-mindedly proceeds to work me over on the marble slab. My limbs are forced into new and unlikely positions. Knee-caps are rotated past their natural limits. For the first time, under some kilos of pressure, I hear

my rib-cage.

Muhammed enjoys all parts of his work, but seems to have a special interest in joints and how far they can bend. After a while I give up protesting. By the time he puts on a special glove appearing to be made of sandpaper, and begins stripping upper layers of skin from me, I am quietly praying for it to end.

When it is finally over, I pass up the sea and divan-lounging that customarily follow a Turkish steam bath. I am afraid Muhammed will dream up some new misery for me. Dressing and making for the door, I escape into the Istanbul night once again, aching from head to foot. But at last I am warm.

TRAVEL INFORMATION

Istanbul is not always a cold grey city, writes Nicholas Woodworth. Only three hours' flight from London, it is close enough to make an exotic weekend get-away throughout the year, but is at its most agreeable from May to September. Daily flights from London with Turkish Airways vary from £220 to £350 return.

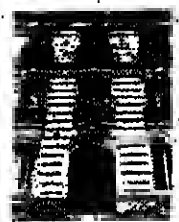
The city offers a wide range of accommodation. International hotels include the Istanbul Sheraton (tel: 131-2121) and the Istanbul Hilton (tel: 131-4550). Perhaps the most romantic hotel in the city, and Agatha Christie's favourite, is the Pera Palace Hotel (tel: 151-4560) where double rooms start at £135. The city's best small luxury hotel, only a stone's throw from Santa Sophia and the Blue Mosque, is Vesili Ev (tel: 526-6764).

A number of London-based companies specialise in travel to Turkey. One that will organise tailor-made holidays is Turkish Delight (tel: 081-891-5901), which arranged my trip. This company also offers winter breaks for £189 (three nights, flights and transfers included); cruises along the Turkish coast from £270 a week, and a luxury 15-day steam train trip across Turkey for £7,065.

■ Nicholas Woodworth flew to Istanbul c/o Swissair, tel: 071-439-4144.

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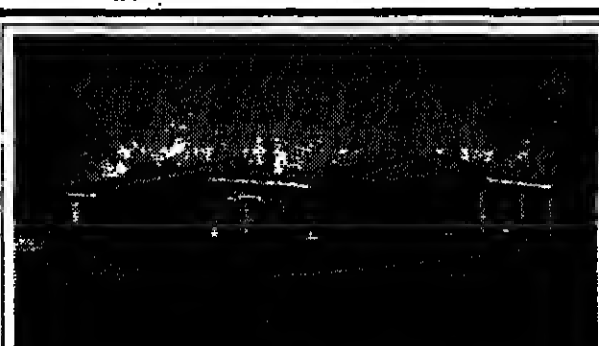
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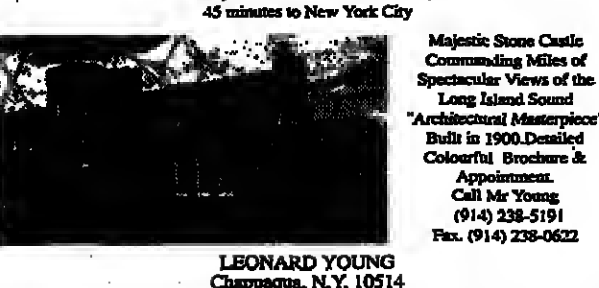
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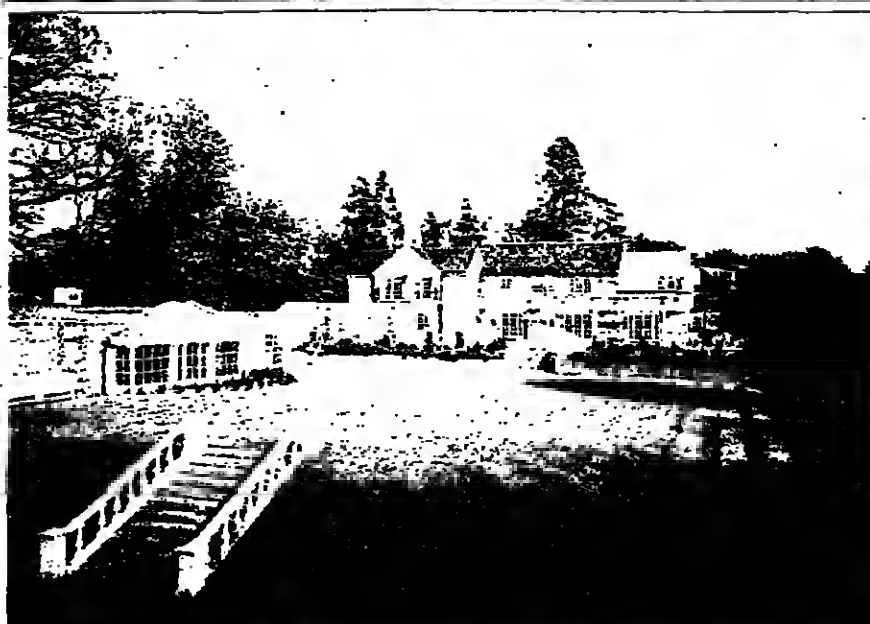
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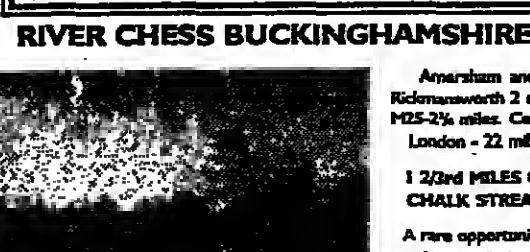
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PERSPECTIVES

WOULD YOU want to join a club that would have you as a member? Playwright Harold Pinter would. Television producer Janet Street-Porter and journalist Jeffrey Bernard would. And if membership figures are anything to go by, thousands of people would. There would, and are card-carrying affiliates of the members' clubs that have sprung up in London over the past few years.

Members' clubs. The very words are dusty, conjuring up images of dark-paneled rooms full of squat, monocled men of advanced years. But there are some radical alternatives to the traditional gentlemen's club, catering for professionals who do not have to have spent a lifetime in the civil service.

These clubs have grown up partly because of the demand for an alternative to the impersonal, crowded and sometimes rowdy pubs of central London. And partly because of Chassey, the architect who designed the interior of The Groucho Club, Fred's in Soho and the recently opened Jazz Cafe in Camden Town, people go to members' clubs to "see friends, have chances encounters and to get to know people they don't yet know."

Some clubs are licensed to stay open until 2am - useful in a city where pubs close at 11pm, restaurants stop serving at midnight and nightclubs are overpriced, noisy and crowded. Like the traditional clubs, they also offer the chance to meet people in the similar professions and with the same interests.

Joining is another matter. Not only do most clubs require that aspiring members be proposed and accepted by existing members, but anyone who joins must be "right" for the club - some will not consider anyone unless they have made a name for themselves in their particular profession. Members are also required to pay an annual membership fee, which varies from club to club but is usually about £200.

Perhaps the best-known members' club is The Groucho Club on Dean Street in Soho. A posh, a posh, it is known for its glittering

Sharp clubs for young blades

Rebecca Pike reports on the new inner circles for London's upwardly-mobile professionals

members, of whom Jeremy Irons, Bernardo Bertolucci and comedian Lenny Henry are but a few. "People in Grouchos are livelier than in the traditional clubs," says Chassey, one of the founder members. "Of course you might get Jeffrey Bernard nodding off in the corner or some bishop asleep on the sofa, but generally it's a much more exciting atmosphere."

Grouchos was the first members' club to establish itself as an acceptable alternative to more traditional gentlemen's clubs such as The Reform and The Carlton. Both sexes were welcome from its foundation in May 1986 and it has two women on its board of directors - Liz Calder, director of the Bloomsbury publishing house, and Carmen Callil, managing director of publisher Chatto and Windus.

Tony Mackintosh, managing director of the Groucho Club and one of its founders, says: "We wanted to create a contemporary club that offered the facilities and services that traditional clubs have always offered - to both men and women."

The club offers short stay bedrooms for foreign businessmen, three restaurants and three rooms for conferences and more intimate meals. The bar though, is the club's raison d'être, and it is here that you will find self-proclaimed eccentrics lounging on leather Chesterfields or perched on metallic black chairs.

For the less self-consciously exclusive, The Colony Room Club next door is delightfully intimate - hardly larger than a snooker table, in fact. It has an equally colourful collection of occupants, ranging from art students, poets and vicars to lawyers and ex-cop stars.

Muriel Belcher, the society hostess, founded the club in 1948 and offered the painter, Francis Bacon,

£10 a week to bring in big-spending friends and attract an enterprising crowd. Now it is run by Ian Board, who worked for Belcher until her death seven years ago. He sits by the door every night and exchanges experiences with anyone who enters, swinging between extraordinary rudeness to irresistible charm.

"This place is absolutely unique," he says in one of his less abusive moments. "Although you have to be proposed for membership by two existing members, it is more a case of my having a raw feel about who will fit in here. There's no waiting list. Either you are or you aren't."

The club has a colourful history - "Lucian Freud rubbed shoulders here with impoverished poets, and Tennessee Williams exchanged niceties with hereditary peers. However, it is under threat from developers,

who want to turn the building into offices. Michael Heath, the cartoonist, laments the disappearance of such clubs. "They're a dying art," he says. "This is the only place left to go."

It may be the only place left for genuine Bohemians, but another small club in Covent Garden caters for "private pleasures" according to its owner, Alfredo Fernandez. Two Brydges Place was created nine years ago because of what the founders, Fernandez and Rod Lane, saw as the need for a small, sensible place in town.

It is described by Graham Ball, a club promoter and organiser of a weekly members' lunch at Ormond's restaurant in St James Square, as "a members' club in the old traditional sense. It is the epitome of what a good club should be."

Prospective members must be proposed by four existing members, and the waiting time depends on the identity of the proposer. "One has to discriminate in some way," says Fernandez.

One of the great advantages of the Colony Room Club and Two Brydges Place is that members go strictly to relax: there are no rooms for business conferences, and the talking shop is out of the question. There is a handful of clubs though, such as Moscovos on Frith Street. The Gardening Club in Covent Garden and Morton's on Berkeley Square which offer board rooms for business meetings and, in the case of Moscovos, a fax machine and a secretary.

The entrance to Morton's is lined with enough identical leather briefcases to open a small business in

office accessories. Hopeful entrants are greeted by a charming woman with a computer containing the members list. The general manager, known simply as "DIB", describes his club members as "a family". The family though, is rather estranged: the most final greeting one will receive there is a reluctant nod. The latest chart-toppers blast through the bar area, and in the "disco room" downstairs a group of stripe-shirted high fliers loosen their ties to the soundtrack of Kylie

Minogue. "You get a better class of drink here," says a grey-suited member leaning on the shiny bar.

The younger, hipper crowd wouldn't be seen dead in a place like Morton's. Their haunt is Fred's, a relatively new club in Carlisle Street. Magazine journalists, graphic designers, comedians and minor pop stars drink imported bottled beer in the kind of atmosphere that can be found in any trendy nightclub in the West End.

"It's good to come here if you're a woman because you don't get hassled or picked up if you're on your own. It's also open until 2am", according to one member, a graphic designer.

Others are more prosaic: "I come here to meet hairdressers," says a TV producer in a leather biker's jacket.

WHERE THEY ARE, WHAT THEY COST

The Groucho Club: 45 Dean Street, W1. Publishing, journalism, broadcasting, thespians and miscellaneous household names. Membership costs £275 and £100 for the under-26s. Bar open until 1am.

Chelsea Arts Club: 43 Old Church Road, SW3. Similar to Groucho's but more artists and poets. Membership costs £225. Bar open until midnight.

Two Brydges Place: Two Brydges Place, W1. Lawyers, artists, vicars, poets and miscellaneous. Membership costs £150. Must be proposed by four members.

Colony Room Club: 41 Dean Street, W1. Artists, poets, comedians, lawyers, ageing pop stars. Open until 11pm.

Moscovos: 62 Frith Street W1. Most professions, all ages, although the barman here said "you only get mainstream people in Grouchos". Small and crowded, open 24 hours, with drinks served until 3am. Advertised in airline magazines; two different dance floors. Membership costs £200 or £25 a month or £50 a quarter.

The Gardening Club: 4 The Piazza, Covent Garden WC1. Opened in December last year. Marketing architects, media. Members' club during the day, dance club at night. Refreshments and drinks welcome. Membership is free until June, then it will cost £15 a year.

Rhainald Club: 391 Oxford Street, W1. Very cosmopolitan, most professions. Described by its owner as a "celebrated dance club". Membership depends on "behaviour, dress and education". Costs £15 for men, £5 for women.

The Academy Club: Bank Street, W1. Aspiring Wang's club for literary kinksters. Members include Emma Scammie and Victoria Glendinning.

Brown's: Great Green Street, WC1. Reopening on May 28 after £1 million refurbishment. Caters mainly for people in the music industry, including George Michael and friends. Dancing, two-bar lounge. Membership £100. Worcester 28 Berkeley Square, W1. Chief executive, head of the music industry and TV producers. Famous members include Keith Allen, Adam Ant and Robert Palmer. Open until 2am. Costs £200 to join.



Guardian at the gate: Ian Board, owner and doorman of the Colony Room Club in Dean Street

Once more, with feeling

John Gapper explains why taking up the cello is better the second time around

IT DOES NOT change. The same rhapsody in the street - "That's a big violin you've got there, son", the same roughened and painful left-hand fingertips, the same admiration at hearing it done properly by others; the same inordinate pleasure in this old box of wood as it came.

After 15 years, playing the cello again is a powerful mixture of hope and frustration. Just sitting with one's legs wrapped around the familiar womanly shape and one's neck cradled against the wooden neck is enough to bring back a lost part of childhood.

There are a lot of us. My cello teacher has known others who have turned 30 and are struck by nostalgia. They dig out the instrument which has sat unattended upstairs since their late teens, when they were distracted by university and the opposite sex. They yearn for the chromatic and harmonic minor scales, the arpeggios and dominants, seventh chords. Merely having a career is starting to pall: they wish they could play Bach. The pangs must also afflict the former players of other instruments: a generation wants to recapture its past.

The surprise is how quickly that past returns. The hours of practising scales and exercises on three-quarter size cello, before the hands are big enough to fit round the real thing, are buried inside like an instinct. The first time you hold a cello again, your fingers assume the familiar positions. The leap from first to fourth position is still there like a phrase in a language learnt as a child but not spoken for years. The sound is rusty and inelegant because the fingers are weak, but they repeat old patterns without prompting.

Unlike some other instruments, there is a good financial reason to be wary of taking up the cello again. The scarcity of good instruments - to play above an elementary level, you need either an old cello or a hand-made modern one - makes it expensive. My former cello, sold when I stopped playing it at 17, was made in about 1870. It was an imitation of an instrument made by Jean Baptiste Vuillaume, a French maker. It would probably fetch about £5,000 today; a real Vuillaume cello would cost at least £20,000.

Those who kept their childhood instruments for sentimental, or hard-headed business reasons, are therefore lucky. A basic cello is likely to cost between £2,000 and £4,000 from a London dealer and there is no upper price limit. I was fortunate to come across a good instrument on which to start again:

a cello made at the end of the last century, with a post crack. This means that the wooden post inside the body which keeps the front and back apart has made a crack in the back by pushing against it at the base.

Although the crack was repaired, probably 30 years ago, it will reopen some day. This sharply reduces the market value of the instrument, although the sound is virtually as good as if there was no crack. It cost £350 including bridge, tailpiece and strings; it would be

worth at least six times that without the crack. This means there is an odd hierarchy of value between my cello, my bow and the fibreglass case the two are carried in. The case cost nearly as much as the instrument, the bow cost more.

Once you are sitting in front of a teacher with a bow in your hand, such financial doubts disappear. The problem is advancing this far: the air of impenetrable mystery in most good instrument dealers takes some confidence to penetrate. Even getting into the shop can be tricky:

you have to ring a bell to be admitted to J and A Beare in Broadwick Street. Once inside, you are surrounded by venerable instruments and years of expertise. Despite the enthusiasm of the staff, one's first reaction is to run away.

If you resist, the first requirement is to find a suitable teacher. This is a matter of luck, although you can narrow the field by asking at a dealer or music college for suitable names. A young musician earning money from teaching while trying to start a solo career may be best.

He or she may be more lively and have more to offer than a teacher ground down by years of child pupils. My two teachers 20 years apart, Emma Ferrand and Caroline Salata, have both been young musicians and put a lot of effort into teaching me.

Once back behind a cello, you remember the physical problems of playing. The paradox is that you can abandon the instrument for 15 years and still remember large parts of how it works, yet the instrument feels alien when picked up if you

have not played it for two days. You also rediscover how rigorous is the harmonic operating system you have to understand to make sense of the pattern of notes. (How many sharps are there in the scale of E sharp major? Four more than the number of notes in the scale, improbable.)

The advantage of learning, or re-learning, as an adult is that you can take more interest in the mechanics of what you are doing. Adults are better pupils than children because they are paying for the lessons. I spent three weeks when I re-started simply doing bowing exercises, without touching the fingerboard. No child would have stood for that. Because you are more interested in the principles of scales and arpeggios, you are more willing to put in the hours doing them repetitively without relapsing into tunes.

In return, there are other rewards than the childhood ones of doing something better than your peers. The moment I remember best as a child was being given an ice cream for winning the open section of a local music festival. The prize for playing as an adult is returning from work and being able to clear your mind of stress just by taking out this coveted instrument and playing a few scales and studies. No child would have stood for that.

Yet it is easy to forget how good are ordinary professional musicians - let alone soloists - at the basics of technique. The discouraging part of learning again is getting used once more to the idea that your playing will always inhabit a lower sphere. With a good grounding of childhood technique and half an hour's practice a day you can become good enough to impress musically-untrained relatives and friends. That is not the same as being a cello player. The cello makes odd grumbling and squeaking noises; it still lives beyond your control.

So playing again is full of uncertainties and hazards. It is hard on fingers and brain. But after five months it has become a delicious thrill. Reaching the climax of the Prelude of the first Bach cello suite vaguely in tune feels much like bliss. I met another of my teacher's adult pupils the other day. He has bought a better cello than mine, to body would unravel it. The unraveling of words, by Oxford's Mark Smith, remains a very sharp piece of linguistic detection.

The honours are therefore, a skilled scholar in Egyptian texts who is well informed on the sources of alternative sayings ascribed to Jesus. He has chosen known sayings about secret meanings which have added point if you know that their author is himself a forger: the text has possible references to the mystery which he has devised.

He (or she) has also faked part or all of a photocopy, as if from an old New Orleans journal, complete with different types and a title page. He has sent artfully-constructed letters whose address to Oxford is on a



John Gapper brushes up his technique under the watchful eye of his teacher, Caroline Salata

Batson comes out of the belfry

Robin Lane Fox finds that the history books may not have to be rewritten...

BATSON D. Sealing has come in from the cold and his mysterious Egyptian text has taken a new turn. "Could it even so be an elaborate hoax?" I wondered in last Saturday's *Weekend FT*: the chances are always high with an untraceable document, purporting to give sayings of Jesus in an unexpected ancient language. "If so, it is not an obvious one... if it is not authentic, quite another story remains to be told."

The story has taken an hilarious twist: against me, I admit, and against quite a lot of other people, including some wary scholars. In November, friend Batson sent his text to an Egyptological journal in Oxford, enclosing a photocopy of what purported to be its debut in print, back in 1876 in an obscure journal in New Orleans. He mis-translated it from top to bottom. In January, the text was translated correctly, apparently as sayings ascribed to Jesus, most of them known in other sources. After submitting his text, Batson failed to answer further inquiries. In January, he sent a second letter, giving forwarding addresses from Montana to Iowa, at various aca-

demie departments. When we contacted them, they had not heard of him. "Biev Batson," I began to imagine, remembering the infamous note from Christopher Robin in *Winnie-the-Pooh*. A spotted or herbeaceous Batson would have been nearer the mark.

The curious text was first brought to my notice by chance in late March: mysterious suspicions still surrounded its origins. For scholars, these suspicions centred on the text: nobody could trace the journal in New Orleans which was supposed to be its source. Yet, Batson's photocopy was impressive, using different type-faces. Without the text's original transcript, who could be sure?

Those who fix their eye on the ball (not the Batson) fail to notice when fielders play games behind their back. The text's true meaning had intrigued various scholars; it was studied at a seminar in Oxford;

its source began to be referred to as Sealing and we all know that Americans' names can sometimes seem curious in English. Naturally, I tested it for anagrams: BELONGS AT SAND or GIN SODA BEATS... It eventually produced BATHON'S LONGEST, a notorious academic critic of Alexander the Great. But, I fear, none of us spotted the obvious Batson spoof.

If in doubt, ask your daughter. Mine thought I must have noticed, but the text survived the miscreant scholar's joke: Batson On The Ceiling. Obsessed with the text, we had all missed the name's meaning, by which the author, surely, was announcing that he was a spoof.

Does this mean the text must be a spoof also? I think it must be, although others still wish to hedge their bets. A few charitable souls still think that poor Batson has been unfortunately christened; others think that the text could be genuine, although the man who produced it called himself a lunatic: he did, after all, mis-translate it. Others think that a genuine text might exist somewhere, even though the 1876 journal appears to be a spoof too. It remains a very intricate document: other fake stories have had a partially genuine ending.

Still, I am sure that its spiritual uncle is Batson D. Belfry, even though the text is extremely subtle and therefore, as I remarked last week, no ordinary hoax. So the plot thickens: who is the real Batson?

The text has not been composed from other bits of text which already existed in Egyptian demotic script: it combines new phrases with near-translations of sayings preserved in Greek or the later Egyptian script of Coptic. The sources of these sayings are rather recherché; the translation is not exact and the little differences are significant. The real Batson must

know this text very well indeed. He also had the wit to submit a time-bomb, mis-translate it totally and hope for the off-chance that someone would unravel it. The unraveling of words, by Oxford's Mark Smith, remains a very sharp piece of linguistic detection.

The honours are therefore, a skilled scholar in Egyptian texts who is well informed on the sources of alternative sayings ascribed to Jesus. He has chosen known sayings about secret meanings which have added point if you know that their author is himself a forger: the text has possible references to the mystery which he has devised.

He (or she) has also faked part or all of a photocopy, as if from an old New Orleans journal, complete with different types and a title page. He has sent artfully-constructed letters whose address to Oxford is on a

typed label. If the label is removed, it shows the name of Batson D. Sealing in ballpoint pen, erased by felt-tip pen, as if the envelope had first been addressed to himself. He has referred to forthcoming articles, due in 1991, although neither has yet been received by the promised publishers. One of them, on a point of terminology, sounds wonderfully quaint, but scholars do sometimes waste ink on nothing better.

There is, however, the address where he received his first letter: happens to have kept the envelope. Its stamp is post-marked San Antonio, Texas, on November 16 1990. Batson's letters have never mentioned a Texan connection. San Antonio happens to be the home town of the journal by which the next article by Batson is supposed to have been accepted: is it a coincidence or somehow a clue in the fake's academic home? A rivalry, perhaps, between scholars or editors or their periodicals, with Oxford receiving a Texan time-bomb?

Batson has come down from the ceiling but he may yet have to come out of the woodwork. It is not Jesus, obviously, but it does not look like a very Christian story, either.

Cross lines

IN ITS advertisements British Telecom urges those who are moving home to: "Pick up the phone and we'll make sure it's on when you need it." I don't believe a word. Even General "Stormin' Norman" Schwarzkopf would have trouble getting BT to terminate one number and allocate a new one at a different address by simply picking up the phone.

Unfortunately, tactical bombing is not within reach of ordinary domestic subscribers. With BT, we have to adopt a form of guerrilla warfare where our only weapon is persistence.

First, allocate half a day to deal with BT. Clear away sharp instruments that might be lying near the telephone. Make sure all children and animals are locked away. Take two Valium. Pull your Che Guevara beret well down. Inhale deeply and make your first call. This is what happened to me. I hope it never happens to you.

Dial 150. Quick response. "Telephone sales, can I help you?" Sounds promising. "I make my request. I have two lines I want to terminate one and put a diversion message on the other. Then I want to get two new numbers in another London telephone exchange area."

"Hang on, I'll put you on hold." "Hold" is an exciting word of very low valuations. After a few minutes they stop.

"Telephone sales, can I help you?" I have been abandoned by my first helper and automatically passed to another. I explain my request again. I am put on hold. The waiters return. Then they stop. There is a wonderful silence, but no helper. Nothing.

I dial again. After explaining again, I am put on hold again.

Then the sales person returns and tells me I have to call another number to apply for my new numbers. Once I have those numbers, I should call this number and tell them the new numbers and then they will be able to put a diversion number on my number. And that will cost £37 a quarter plus VAT.

"But why can't you call your sales colleagues at the other exchange, sort this out and then call me back?" I ask. There is a sigh. "We are a very BIG company" a voice explains. "We have a LOT of different districts and we don't have the computers to do all that. You have to call."

I am beginning to breathe exasperatedly. I decide to begin the assault on my new telephone district. I am put on hold. This time it is not a waiters but something with a lot of squawking noises.

The new district produces a similar result. I have to explain the request four times to four different people. I am put on hold a lot. They cannot understand why they have to send the forms to my present address because I have not moved to my new address. I want to cry.

After two hours of calling, holding, being cut off, explaining, explaining again and again and again... I think I've sorted it out.

Two days later I get a call from the owner of my new home. BT has sent some forms for me to sign, but to the wrong address. I call Mercury. They say I have to get a line from BT before I can use their service.

Does anyone know General Schwarzkopf's number?

Peter Knight

BOOKS

Rough justice for whistle blower

THE TIME has come to blow the whistle on Bob Woodward. This may be rough justice for a journalist and writer who has made a distinguished career out of listening to whistle blowers, bringing down and otherwise exposing presidents, supreme court justices and directors of the Central Intelligence Agency, but it is at least appropriate.

The sad truth is that his latest volume, *The Commanders*, about the men who brought you the invasion of Panama and the Gulf war, is a pretty poor travesty of formulaic writing. It claims not to be an instant book but it reads like one. It is stuffed with details you don't want to know and lacks the perspective and context for which the reader

craves. Of course, being Woodward of Watergate, it contains nuggets, but even these are of less than his customary carat quality.

Thus to discover that General Colin Powell, chairman of the Joint Chiefs of Staff, had reservations about going the whole hog against Saddam Hussein and would have preferred "containment" (i.e. sanctions) is to be told the obvious; civilians like to wage war - and to dispatch soldiers to do it for them - but professional military men prefer to weigh the odds pretty carefully. To read that Dick Cheney, the Secretary of Defence, told Powell's predecessor, Admiral William J. Crowe Jr, that Mr Bush was capable of being "vindictive" is not exactly to unearth a holy

grail. Men do not become presidents without a mean streak, even if they do not like it publicised.

To learn that the US Administration ignored a flash warning that Saddam might invade Kuwait two days before he did ought not to be seen as an example of wilful carelessness by the government, but more as an indictment of US intelligence capabilities. After all, even the FBI, which never saw a satellite photo, worked out that Kuwait might be attacked 24 hours before the event. Close observers of Washington snakes and ladders will enjoy some of the inside gossip

on which the US capital thrives, while generals from all over the world will pore over the minutiae of war planning.

But whether Brent Scowcroft mistrusted James Baker or Powell thought General Maxwell Thurman (in charge of Panama) inclined to hot-headedness are more the subject of footnotes than pages on end, since their respective influence on policies was not great. Indeed the whole sense of drama of policy-making is almost entirely absent.

Some controversy attaches to Woodward's technique, which he has used before, in which a narrative puts words and thoughts in people's mouths and minds without actually saying who provided the information. The author justifies this because so many

of his interviews were "on deep background" rendering specific attribution a breach of confidence. It does not take a Poirot to work out that an awful lot of them were with Powell.

The technique should offend only the very literally minded. The problem is that it does not deliver the goods. Instead of acute insights we get banalities ("Powell smiled") and dross ("the building was eerily quiet"). Instead of analysis, memoirs and acronyms. The portraits that emerge of Powell, Cheney, Scowcroft, Schwarzkopf et al, even George Bush himself, are uniformly flat. "The tension soon drained away," it says on page 242. The average reader may find it expiring closer to page 55.

Jurek Martin

History is lunch

ORD JOHN Harvey was right. "The ends of life are filthy ways," Simon Schama relates two such ends in *Dead Certainties*: the death of General Wolfe, and the death of Harvard Professor George Parkman. These stories in themselves are compelling; but Schama's book is important because it presents an exciting new kind of history. Schama travels the straits between the lived event and subsequent accounts of it. He combines historical narrative and active technique, making history a form of literature.

This is not an easy book, but it is immensely satisfying, even in its refusal to deliver sequential narrative; instead, we have to content ourselves with broken lines of communication with the past. This puts Schama's enterprise adjacent to the Melville of *Benito Cereno* and the Faulkner of *As I Lay Dying* and *The Unconquered*. Among contemporaries, the outlook of *Dead Certainties* resembles that of Alan Gurganus' *Oldest Living Confederate Widow Tells All*; Gurganus heroine says "History is how the soldiers gobbled at 11 a.m. sets with them at two when the battle starts, how one snack's heartburn changes everybody's aim. History is lunch." Each writer treats the facts of history as the starting-point, and from there launches a riot on the unknowable which becomes a victory over entropy. Both Gurganus and Schama are librarians and bookshelves with a "History" or "Literature" category problem. Schama's move into literature continues the personal journey from the brilliant Citi-

zens (1988), and meets up with refugees from fiction in the 1990s, especially John Banville and I.F. Stone; these keep uneasy company with the hordes of advance-bungry biographers who shipped out of the novel in order to shape up other people's lives. Schama's work is teasingly poised between genres; but its brilliance is that - like the most humane criticism of ideas - it recognises other forms of exchange of ideas: art history, the law, journalism. And this breadth of vision enables Schama's visceral, implicated human response to the facts of each case.

In practice, Schama's writing makes the two deaths into fascinating reading. First, Schama looks at the many deaths of General Wolfe in 1758 at Quebec, green-faced and blood-spattered; in Benjamin West's 1771 heroic portrait; and in Francis Parkman's seven-volume historical account of the Anglo-French struggle for North America. Into this simple frame, Schama inserts facts and factual details to fill out the picture: letters, anecdotes, diaries. As West commented, "a more master of fact will never produce the effect." And he adds the psychological history which led Parkman to become the unapologetically American chronicler liberated from the formal British tradition after his famous 1848 trip West and the subsequent Oregon Trail.

DEAD CERTAINITIES
by Simon Schama
Granta Books £15.99, 333 pages

The second death is that of the law, journalism. And this breadth of vision enables Schama's visceral, implicated human response to the facts of each case.

Andrew St George

Minton: handle with care

THOUGH JOHN Minton had a private income it did not come, as people often thought, from a family stake in the company that markets fine chinaware. Its source was the department store, D.H. Evans. Minton's grandfather, Ernest Webb, rose from being a draper's assistant to becoming its managing director. When he died Webb left behind a substantial trust fund of which Minton became a beneficiary in his early twenties. On leaving Soho with his companions of the night in a taxi, Minton would cry out: "We're spending your money, darlings!" when the cab came alongside the Oxford Street facade.

Yet the confusion is a pardonable one. There was an air of vivid fragility about Minton that made his surname seem appropriate. Though nearly always amiable, and incredibly amusing in a self-consciously camp way, and basically sympathetic (to use one of the favourite words of the period), he had "Handle With Care" written all over him.

In the post-war neo-romantic late 1940s and early 1950s period, Minton's role was that of Ariel. He was the mercurial spirit who was capable of conjuring everything out of nothing. His decorative pen-and-ink panels which appeared in journals like *The Listener* were filled with cornucopias of vegetables, flowers and fruits, joking with suns, moons and stars, sending out a perpetual love-light.

His friend John Lehmann made an inspired choice of artist when he commissioned Minton to design the jackets for Elizabeth David's two earliest books, *French Country Cooking* and *A Book of Mediterranean Food*. Further commissions followed from industrial companies such as the Reed Paper



John Minton's cover design for the Unilever House Journal, 1949

Group, the Imperial Smelting Corporation and Unilever. Minton had no difficulty in meeting his employers' requirements without compromising his own individual style.

Minton's seasonal cover designs for Lehmann's *Penguin New Writing*, composed of everyday artefacts such as a wooden cart-wheel or an earthenware jug beside a feathery quill-pen framed by a wind-swept tree, were reminders of the rural England he hoped had survived the war intact. When he went on a post-war voyage to Corsica with Alan Ross, and later went to Jamaica, Minton proved he had a similar gift for evoking the exotic in scenes of heat-drenched succulence and abundance. He was a tireless worker whatever was going on in his private life, where he was preoccupied with art, had several close, enduring friendships with women.

As in the *Arabian Nights* and Shakespeare, the rich banquet to which Minton bade his admirers proved to be illusory. When you reached out to taste the fruit, it just wasn't there.

Behind the jester's mask lay a massive creeping inward march. Lucian Freud exposed it when, at Minton's request, he painted his portrait. Minton himself was uncomfortably aware of it - as may be observed in a self-portrait, a pencil drawing, now hanging in the Michael Parkin Gallery.

DANCE TILL THE STARS COME DOWN
by Frances Spalding
Hodder & Stoughton £25, 271 pages

In Motcomb Street, which has mounted an excellent exhibition of Minton's work to coincide with Frances Spalding's well-researched biography of him.

Spalding gives us an admirably intelligent account of all the known facts, but the truth is that Minton does not submit readily to the cool detachment of a well-informed biographer. There is something rather risible in once riotous habits of venues like the Black Horse and the Highlander pubs in Soho, now respectable elderly individuals, being solemnly

questioned on what they remember about their one boozing pal. A couple of drawings in the Gallery give one an insight into the kind of muscular young man he liked. There is also a Minton drawing of a clown hanging from a rope with a noose around his neck that seems to say it all.

It finally traces a story that emerges. Minton died in 1957 at the age of 38 from an overdose. Spalding suggests that a crushing sense of failure had begun to overtake him even though he was still highly successful. He had been a dynamic teacher at Camberwell and at the RCA, much loved by both staff and pupils. But by 1956 he was so often stoned or delirious when he arrived he had to give up.

Moreover, in his chagrin Minton's current male love switched modes and married Minton's closest woman friend. And though as an artist Minton had his elegant champions, he sensed that the tide was turning against him. He feared the onset of Abstract Expressionism. He felt his contemporaries Freud and Bacon

were pulling away, leaving him high - if not exactly dry.

Minton made his bid for recognition by the Royal Academy in one or two untypically large oil paintings, grandiose compositions like his version of "The Death of Nelson". But they failed. He was never made an associate member. Spalding tells us that rejection by the art establishment really hurt him. The Nelson canvas, which now has a home in the Royal College of Art, was too massive to move to the Parkin Gallery. But it is reproduced among several colour-plates in the book.

In his frequent maudlin moments towards the end of his life, Minton must have felt like echoing Noel Coward: "The most I ever had was a talent to amuse". But it would not have been completely true. He communicated a vision of gaiety, warmth, decency and tranquility that, as the book shows, proved elusive in his own life. But to which - as the Parkin exhibition confirms - he gave a life of his own.

Anthony Curtis

After the bomb

AT THE height of the Reagan Administration's campaign to roll back the Sandinista Revolution in Nicaragua, an ill-planned incident occurred. In May 1984, a bomb went off during a press conference given in a remote area of the Costa Rica/Nicaragua border by Eden Pastora, the maverick Sandinista turned Contra rebel leader.

The bomb killed three journalists and injured 17 others. Pastora escaped with minor injuries. Susie Morgan was the most severely injured. As she recovered slowly in a US hospital, she became consumed by a desire to find out who planted the bomb.

Ms Morgan, a British freelance, soon learned that the bomb was planted by a man who had attended the press conference posing as a Danish photographer. This knowledge was all the more chilling since the assassin had travelled with the journalists. He had then placed himself outside the range of the blast, watched the agonies of the wounded, and faked injury.

Rumouring down the assassin and his masters is an extraordinary story which provokes admiration and anger in equal parts. Susie Morgan took two years and under-

IN SEARCH OF THE ASSASSIN
by Susie Morgan
Bloomsbury £15.99, 207 pages

went dozens of operations to recover and she shows heart-warming courage in her determination to overcome her traumas. But equally she painstakingly details a situation whereby innocent civilians can have no recourse against officialdom when the CIA judges interests of state are at stake.

Probably her investigation would never have prospered but for the funding of a television programme. Ms Morgan is not an investigative journalist, she takes no delight in either the chase for facts or the unsavoury plot that unfolds. Such distanced distaste adds both credence and poignancy to her tale.

The trail is full of false leads and stone-walling, starting with forensic evidence of the bomb which is removed from Costa Rica by US experts never to be seen again. The Danish cameraman turns out to be a Libyan CIA "asset" and she convincingly demonstrates that his mission was known about - if not coordinated - by the chief of the CIA's Latin

American operations and the assistant of Oliver North (disgraced by Iranagate). She deeply implicates John Hull, a US citizen with a big ranch on the Costa Rican border, who was the central figure in covert US support for Contra operations against Nicaragua being carried out illegally from neutral Costa Rica.

Convinced anti-communists within the CIA, she maintains, had become paranoid about Pastora, who disliked any US involvement in the anti-Sandinista movement. They believed he was a secret Sandinista who needed to be eliminated. The rest of the Contra leadership disliked his individualistic style. Pastora had also antagonised the Colombian drug mafia, who were taking advantage of the war along the Costa Rican/Nicaragua border to load US-bound cocaine onto the planes secretly bringing arms to the Contras.

Ms Morgan's findings have been broadly endorsed by a recent Costa Rican government enquiry. However, she only nails but does not find the assassin. This may leave readers frustrated unless they realise Ms Morgan's search has been the means for her to get on with the rest of her life.

Robert Graham

And heroes still go down those mean streets

Our literary editor surveys a selection of the season's thrillers and concludes Chandler was right

IN A famous essay Raymond Chandler wrote (with the help of my italics): "Down those mean streets a man must go who is not himself mean, who is neither tarnished nor afraid... He must be a man of honour, by instinct, by inevitability... He must be the best man in his world..."

That, I suggest, is a paragraph to bear in mind when we next ask ourselves, on the short-hand flight or the Inter-City, why most thrillers are so depressingly third-rate. Why there are so many, too many, which deliver routine slam-bang and conspiracy with a bit of sex (the latest fashion is to throw in a formula bout of fellatio), depth-researched and straight-on-to-the-word-proprocessor and yet they apparently sell well, at least in paperback after a token appearance in hard boards.

Remember Chandler and test him out all these years later. And here my report for the season leads off with a

magnificent first novel by Walter Mosley (*Devil in a Blue Dress*, Serpents Tail, paperback, £5.99, 219 pages) in which, from the first page, it's clear we have discovered a wonderful new talent. It's always the tone of voice that matters most in this particular world and Mosley has it - his own style and subject matter - beyond dispute. American reviewers have compared him with Chester Himes and Richard Wright and (of course) Chandler, but that's misleading and beside the point: there is a splendid freshness to Mosley's prose and we sense that here is a real world we are hearing about for the first time.

That world is Black Los Angeles in 1948. The narrator is Easy Rawlins, out-of-work Black ex-C.I. and apprentice private investigator. Mosley is his villain-friend and protector, a Shadow figure if ever there was one. And the point is - reference Chandler and his Marlowe - that Easy

is a good man: this is the private eye as Hero. He's the most exciting arrival in the genre for years.

We all know that the end of the Cold War has devastated the thriller writers. One reaction has been to take wild risks and plunge into the uncertainties of post-Glasnost "fiction". Tim Sebastian, for example, (whose publishers irritatingly harp on about his BBC job as though that guaranteed literary quality) gives us an involved baroque about Gorbachev planning to defect to the West via an Arctic air-base, with a twist in the tail (*Saviour's Gate*, Simon & Schuster, £14.99, 296 pages). It's a dangerous game, this "post-glasnost thriller" set in "the near future", because obviously it can be torpedoed by news from the real world, and it has to rely on lots of rather confusing detail of the sort foreign correspondents pick up in their Moscow bureaux.

Much more impressive, in

this same area, is Robert Littell's *An Agent in Place* (Faber, £12.99, 295 pages), set in the same Moscow, drawing on similar fantasies about Gorbachev, and described in far superior prose and much more convincing detail. Littell has been compared with John le Carré and this book certainly relates to *The Russia House*. It has the same complexity of plot and is also a love story between a Western spy and a Russian woman. But it's good - the Russian poetess and her hustler ex-husband, the two American spies, young and old, the Embassy life, Moscow today - and it is well, and ambitiously, written.

The fact remains, Cold War thrillers are in their death throes. There has been a frantic search for alternative areas of dramatic potential - like the last day of the Second World War. So we have Dobbs, Kerr and Eggleton, to name just three who have spotted the trend. Michael Dobbs has made a last name by exploiting a claim to inside knowledge of Westminster (see *House of Cards*). Here he ventures away from his home base and goes for the Freddie Forsyth market with an alarmingly Over The Top saga of the closing weeks of the war (*Last Man To Die*, HarperCollins, £13.99, 283 pages). German P.O.W. in Yorkshire escapes in 1945 and miraculously gets back to the Fatherland. There's a lot of rather worrying fake realism (Churchill in bed with breakfast, Eisenhower in bed with secretary, and the hero - who, it turns out, is not a Nazi - in bed with Eva Braun). "Hencke watched transfixed as Adolf Hitler's heart broke into a thousand pieces". My case rests.

Also OTT, I feel, is Philip Kerr's *A German Requiem* (Viking, £12.99, 307 pages), another post-war exploitation. Kerr has his own idea of a series based on a sympathetic German private eye who is ex-SS. Here we have Berlin, and also Vienna, in the winter of 1947 in a drama of black marketeering, Nazi-hunting and Cold War preliminaries. *The Third Man* is being filmed in the background, but unlike that masterpiece *A German Requiem* suffers from the vice of young authors, it has a surfeit of unnecessary and distracting detail as the research becomes more impressive, the plot became impenetrable. "Bitter bile percolated up from my liver to break down the fatty doubt that lay in my gut." Indeed. At least it's more interesting than Clive Eggleton's *Last Act* (Hodder & Stoughton, £14.99, 281 pages) which tells a complex tale of Warsaw in 1944, re-examined in 1958. The plotting is crowded, though efficient, the prose is flat, the detail is excessive, the Polish politics are remorseless.

It's a relief, then, to get away from hot and cold wars to another trend in this contemporary and feminist world - female private dicks (and they have come a long way since Miss Marple). Lisa Cody is a young English crime writer who has been winning attention for her "Anna Lee" books, narrated by her downbeat girl protagonist who works for a London security company which seems to specialise in burglar alarms. In her latest, *Backhand Clutch & Windup*, £12.99, 279 pages - Anna makes a big mistake in going off, after slow domestic detail in North

Kensington, to Florida. This is a mistake because Cody is poaching on the territory of the Real Pros, and in particular John D. MacDonald of hissed Travis McGee memory, and in this land she's the nearest amateur. The plot has to do with rumming steroids etc. into the US under the cover of Italian cosmetics. The detail, and the telling of it, are utterly middle-brow. Florida seen from a package tour to Orlando. Anna Lee does have a certain Guardian-reader authenticity. Trouble is, Cody is honest enough to admit that Anna's everyday world is as boring as the *Guardian* Woman's Page. Anna would be well advised to stay in Shepherd's Bush.

The Americans, I'm afraid, do these things better: see not just Sarah Paretsky but the new Linda Barnes - Coyote, Hodder & Stoughton, £14.99, 257 pages. Barnes has a lot to learn but her zany six-footer private eye volleyball enthusiast Carlisle, this time tangling with Latin illegal immigrants, drives a cool plot even if she's not yet writing well enough.

Talk about good writing and in wonderful contrast we can read the American pros at their best. Witness Irving, Parker and James Lee Burke. Clifford Irving, a veteran with a past, has come up with a courtroom procedural (*Trial*, Hamish Hamilton, £14.99, 306 pages) which is designed to challenge *Presumed Innocent*, and does just that. Irving gives us two criminal cases at the same time, to be fought by a pressured young Houston lawyer who, as his marriage flakes and his career wobbles, finds himself representing both a wretched Mexican immigrant and the dangerous manageress

of a topless bar - and discovers the two cases inter-relate. The courtroom is very well done and (see above) the hero, in these Texas mean streets, is a good man.

Robert Parker (*Starburst*, Viking, £13.99, 256 pages) is a superb pro, who recently completed an unfinished Chandler novel and has now started to publish pastiche Marlowe. This, the latest in his own long running Spenser series, is so good that I hope he isn't going to be side-tracked by the Chandler industry - though he must have a problem in that Spenser admits to having served in Korea. This is the old tradition of the honourable private eye, here protecting an appealing film star. "She was trouble, alcoholic, drug addicted, nymphomaniac, egocentric, spoiled hard trouble. She leaned a little towards me, her eyes the size of dahlias... (Wonderful, those dahlias! A secret reference perhaps to the film *The Blue Dahlia* for which Chandler was scriptwriter?)

It's a book to make the youngsters despair. The plot is tight, the characters are vivid and believable (see Spenser's shrink girlfriend and their monogamous relationship), the villain is attractively villainous, the language witty and intelligent and literate as well as hard-boiled. ("I felt like I was trapped in a Hemingway short story. If I got any more cryptic I wouldn't be able to talk at all.")

Thirdly, James Lee Burke (*Black Cherry Blues*, Century, £12.99, 290 pages) takes his bereaved ex-cop Robicheaux and a pal, a burned-out rockabilly stager, from South Louisiana to Indian territory

in Montana in pursuit of corrupt oilmen. Burke has been winning acclaim in the US but comparison with Elmore Leonard and the big crime boys seems to me to miss the point, which is that he writes like a novelist, and a good one. He has an unusual and credible hero and a fascinating home-base in a little-known territory which quickly becomes distinctive and convincing. I'm not too keen on the dream messages from a dead wife and father, but - see above again - Robicheaux is a good man, a man of honour, etc, etc, and I want to read more about his life.

There is a lesson in this. The protagonist of Michael Dibdin's *Dirty Tricks* (Faber, £13.99, 241 pages) is the very opposite. Here is a sequence of Oxford killings, performed and narrated by a psychopathic failure of a language school teacher (it's not an "Oxford" book despite the jacket), cleverly done and skilfully plotted: sub Highsmith. As Chandler might have agreed, here is a world mean, tarnished, afraid. A novel, really, so it doesn't belong in this piece.

I've thrown them in the bin. I kept Mosley, Littell, Parker and Burke for my shelves.

J.D.F. Jones

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SPORT

Tennis/John Barrett

Fight for crumbs at Monica's table



On the attack: Gabriela Sabatini has been gunning for Seles

THE BIRDS will be singing in the Bois de Boulogne these next two weeks as they feed happily on crumbs from the overladen tables in the corporate village at Stade Roland Garros, home of the French Open.

The rest of us will be inspired by the women's competition which this year promises to provide a fierce competition filled with grace and skill on the famous centre court at Roland Garros.

Who will we be applauding two weeks from today as the 1991 champion? Will it be the title holder and world No 1, 17-year-old Monica Seles of Yugoslavia, she of the gruesome grunt and failing forehead? Or perhaps the former world champion, Steffi Graf, released from family pressures, will rediscover the touch that brought her the title in 1987 and 1988?

Or will the improving form of Gabriela Sabatini (and it would be hard to improve her form much) bring her a first French crown to go with the US Open title she won so surprisingly for the first time last year?

Perhaps the effervescent Spaniard, Arantxa Sanchez Vicario, will find once again the inspiration that made her the youngest-ever champion in 1989, a record that Seles broke last year.

Not for years have I looked forward so eagerly to the French championships, that annual test of nerve and sweat, concentration and daring, skill and stamina on the

slow red clay of Paris.

But I cannot anticipate a British victory. Since this event was thrown open to all nationalities in 1925 only one Englishman, Fred Perry in 1935, has ever solved the mysteries of its bounce. This is not surprising because, until the recent ITA initiative to build a number of clay courts at strategic centres in Britain, there were no courts on which players could learn the basic requirements for success on clay — sound technique, consistency, footwork, patience, concentration and awareness of when to take risks.

For more than 100 years we had steadfastly kept our heads, ostrich-like, in the grass. This, after all, was our national surface, so why bother to find out what the Europeans were doing. In spite of this attitude, the British women have been reasonably successful in Paris.

Peggy Scriven won the French title twice before the second world war (1933, 1934), beating the great American, Helen Jacobs, in the '34 final. Since 1945, five British women have won the title a total of six times: Angela Mortimer, 1955, Shirley Bloomer, 1957, Christina Truman, 1957, Anne Haydon, 1961 and 1965, and Sue Barker, 1976.

The nearest Britain has come since was in 1983 when Jo Durie reached the semi-finals. Although Jo is challenging again this time, do not expect miracles.

So close has the race become at the top of the women's game that it is impossible to say what will happen. All will depend on the players'

state of mind on the day. In 1988 Graf won in Paris with a 6-0 6-0 thrashing of the young Russian girl Natalia Zvereva. Graf's reign as world No 1 seemed certain to stretch into the far distance. Yet here she is, three years later, in third place on the Kraft General Foods world tour points standings, behind Seles, who displaced her as world No 1 in March, and Sabatini, who has won their last five meetings, four of them this year.

The rise of the Argentine No 1 over the past nine months has been

Sabatini, bored with her role as cannon fodder, transformed her game

the most remarkable facet of the women's game. Ever since changing coaches just before Wimbledon last year — swapping a cheery Spaniard, Angel Gimenez, for an experienced Brazilian, Carlos Kirmayr — her attitude has been transformed.

If proof were needed that tennis is a mental game, just consider what Sabatini has achieved since. With Kirmayr's approval, Gabby started working with sports psychologist Jim Lohr and physical training instructor Omar Carminatti.

Together, they convinced a confirmed top-spinning baseliner, who had become bored with the game

and disenchanted with her role as cannon fodder for Graf, Navratilova and Evert, (before her retirement) that she could become an attacking volleyer.

After losing with honour to Navratilova in the semi-finals at Wimbledon, she swept through an astonished field at Flushing Meadows and volleyed her way to victory over Graf in the final. She beat the German again in the semi-finals of the Virginia Slims and lost an historic final to Seles, the first women's match to go five sets since Elizabeth Moore beat Myrtle McAteer in the US final of 1901.

Clearly Seles was the next target. A slight setback in Australia, where Sabatini lost to Sanchez in the quarter-finals, only made her more determined to chase the Florida-based Yugoslav. A loss in the Lipton final, where Seles became the world No 1, did not divert her, and her reward for persistence came on the slow clay of Rome.

There, Sabatini regained the title she had won in 1988 and 1989 by beating Seles 6-3 6-2. They will both remember that meeting if they should clash again next week. Sabatini will also recall her recent loss in Berlin to 16-year-old Anke Huber, touted in Germany as the next Graf. It was probably just the jolt she needed to avoid complacency.

Another significant event was the last-minute decision by Graf to ask for a wild card in Hamburg three weeks ago. She knew that Seles would be there and was determined to beat her on clay after a victory

on cement in San Antonio in March. Surviving shakily in a tense final set delayed by rain, Steffi duly achieved her objective, winning 7-5 6-7 6-3. It was just the boost she needed in the run-up to Paris, as was her decisive 6-1 6-0 defeat of Jana Novotna in the Berlin semi-finals last week — the Czech had removed her from the Australian Open in January.

Most significant was the way Graf was hitting her forehand. With her timing restored and seemingly at peace with herself, her family and her hitting partner, Pavel Slozil, she was once again producing those devastating winners. Certainly an inspired Sanchez could only gasp as her 5-3 lead in the final set disappeared and she lost 6-3 4-6 7-6.

This was Graf's third win in her last four tournaments. Perhaps she has got the timing right. With Navratilova absent again (to concentrate on Wimbledon), is there anyone else with a realistic chance? Only three spring to mind: Mary Joe Fernandez, whose pedigree is right in spite of poor form recently; Jennifer Capriati, and Conchita Martinez, who won in Barcelona and beat Navratilova in Rome.

However, my money will be on Seles to repeat her win of 1990. She has the quickest brain and is the toughest character. In the end, that is what counts.

The men? Yes, they are playing, but do not ask me to suggest a winner. For the first time I can remember I have absolutely no idea who might prevail.

Cricket/Teresa McLean

Yorkshire's humourless idol

HERBERT Sutcliffe is one of the pantheon of cricketers who raised the game in Britain to proud heights between the wars. Sutcliffe and Jack Hobbs were admitted all over the cricketing world as one of the greatest opening partnerships. Their 26 century stands remain an outstanding achievement.

In Yorkshire, Sutcliffe is still idolised and his total of 202 century partnerships for the county are brought out for recital and admiration whenever Yorkshire's performances prove too depressing.

Jack Hobbs, of Surrey and England, and Percy Holmes, one of Sutcliffe's great Yorkshire opening partners, have left vivid memories of their

personalities as well as their cricket. But Sutcliffe's personality seems to have been overwhelmed by his cricket.

One of the reasons that Alan Hill's biography of Sutcliffe (Simon and Schuster, £14.95) is a good book is that it does not try to reveal its subject's hidden character. It leaves the impression that Sutcliffe's character was embodied in his cricket: determined, proud, systematic and dignified. He had no interest in penance for his own sake and seems to have had little sense of humour. He played to score runs and win matches, not to amuse the crowd, though his batting delighted crowds for 20 years.

Sutcliffe was born in Nidderdale, Yorkshire, in 1894 and brought up in Pudsey, the

home of his great Yorkshire batting partner of later years, Len Hutton. When Sutcliffe's father died in 1898 and his mother six years later, three Congregationalist aunts fostered their orphaned nephew. Hill's argument that the emotions driving force of Sutcliffe's nature was a product of this tough upbringing, with little money and plenty of discipline, sounds convincing.

By the age of eight, Sutcliffe was mad about cricket. At 14 he played for Pudsey St Law-

rence and in 1912 and at 17, he played for Yorkshire Colts against the Yorkshire first XI. Unlike most Yorkshiremen, Alan Hill restrains his "and-life-makes-and-play" view of Yorkshire cricket so that it makes easy reading for those unfortunate enough to have been born elsewhere.

Sutcliffe started his county career in 1919, the year Yorkshire won its tenth county championship. One of the book's better black-and-white photos, shows Sutcliffe the

young professional in his cricket uniform, not unlike the young Peter May a generation later: hair brushed and greased down to perfect neatness. The difference is in the expression, which in Sutcliffe's case is almost frozen in a stony, almost unchangeable, smile.

Once he had found his role, he dedicated himself to it, striving for perfection. He was as likely to chastise himself as any of his batting partners for wasting a chance. In his first Test in Australia he reckoned his first innings of 59 was an

"exceedingly scratchy knock" because he could not read Arthur Mailey's spin bowling.

But he and Hobbs battled with increasing confidence and mutual understanding as the tour went on, and though they could not stop Australia keeping the Ashes, Sutcliffe was welcomed home to Pudsey as a conquering hero.

Sutcliffe's domestic and social life, which were orderly and regular, with bed every night at 9 during big matches, have an air of being overshad-

owed, if not smothered, by cricket, and occupy a lesser, though interesting, place in his life. Such was his determination to succeed that once he had played against amateurs and heard their public school voices, he never again spoke with a Yorkshire accent, nor would he let his wife or children lapse into their accents.

The mansion with acres of garden which he bought on the brow of the hill at Pudsey kept him close to those he had grown up with — but from a winner's viewpoint.

Sutcliffe comes across as a kind but exacting helper of cricketers hopefuls. The only recipients of undemanding sentiment were the slobbery boxer dogs he gathered round him and doted on.

His unswerving loyalty to Douglas Jardine on the body-line tour fits the picture of a man who thrived on adversity, respected fierce tactics and was never nervous, because there was no need to be when one knew what one was doing.

Sutcliffe's years of sunset splendour, opening Yorkshire's batting with Hutton, are well treated. Many people alive today can remember "our 'Erbert' at that stage and have given pin-point, though bland, descriptions of him.

His last years were wracked with arthritic pain, which he endured heroically. By the time one has finished this book, that is what one expects of Sutcliffe. It is not that he did not give up easily; he did not give up at all.

Motoring/Stuart Marshall

Pick your box: trad or trendy

SOME CARS lead fashion. Others merely follow it. And a third group ignores it altogether — like Volvo estates.

Do not misunderstand me. I heartily approve of the big Volvos. They are as old fashioned as men who stand when a lady enters a room, always wear a tie with a jacket and would not be seen dead in blue jeans, track suits or those terrible training shoes that look like multi-coloured surgical boots.

I like Volvo estates because they are exceedingly roomy and comfortable to sit in and feel safe, strong and enduring. Though big, they are easy to park because they have that turning circle of a far smaller car. And they are much nicer to drive than any type squealing, performance-hesitant, motoring enthusiast would have you believe.

One could not have had bet-



Squares but chic: the trend-setting Renault Espace (right) is now offered with a 2.5 litre V6. The car to match your green wellies: the Volvo 940 Turbo Estate (left) is conservative design at its best.

Nearly 200,000 have been sold since its introduction in July 1984. In Europe, one MPV in every three bought is an Espace. Its main rivals are the Nissan Prairie, Mitsubishi Space Wagon and the Toyota Previa which recently replaced the Space Cruiser. But several more are on their way. Used Espaces make good prices because they do not show their age. The chassis is of galvanneal steel and the body is clad with non-corrosive reinforced plastic panels.

They are most enjoyable (and it must be stressed totally un-van-like) vehicles to drive. When I tried the latest models in the Scottish Highlands last week I thought it was more like being up front in a twin engine light aircraft than driving a car. The view through the screen is commanding and unobstructed; commanding because one sits so high, unobstructed because one sees nothing further forward than the wiper arms.

The semi-flush side windows and thinner screen pillars are new but the main changes are underneath. The top models now have a 2.5 litre, 135 bhp V6 engine from the latest Renault 25.

Comfort has been improved by softening the springs and using Michelin's latest tyres — MXT on the 2-litre models, the higher speed-rated MXT2 on the V6. They rode quietly and resiliently and gripped securely as I drove on mountain roads under weeping skies. Changes to the suspension have made the new Espaces even less inclined to roll than before. Swing one smartly through a bend and it leans hardly at all.

There are five models with two engines — a 105 horsepower, 2-litre, 4-cylinder and the V6. All have power steering and catalytic converters. The entry model, the RN, costs £16,940, a better equipped RT is £17,575 and the poshest 2-litre RKE, £19,410. The V6 engines are offered only in RT and RKE versions at £21,480 and £23,400.

Equipment is good, especially in the RT and RKE models, but you have to pay more for ABS brakes (£1,115) and air conditioning (£1,015). The extra seats come as part of a comfort pack costing £815 on the RN, £560 on the more up-market versions. The only transmis-



sion is a 5-speed manual gearbox which is pleasant to use on the V6, but better on the 2-litre engine models. Renault UK expects over 80 per cent of sales will be of the 2-litre, with most buyers favouring the mid-range RT version.

The 2.5 litre Espace is a really vigorous performer, with ample power for romping up

most hills in top or fourth gear. Renault says it is good for 122 mph (196 km/h). The 2-litre model needed the occasional downshift into third on really steep slopes. Driving it fully laden over an long alpine pass might call for a busy hand on the gear lever. Average fuel consumption are likely to be 28-29 mpg (10.1/9.7 l/100 km) for

the 2 litre Espace, 23-24 mpg (12.3/11.8 l/100 km) for the V6. The new models have a larger, 17 gallon (77 litre) tank.

Though I approve of the Volvo's conservatism, I could as easily be seduced by the charms of the trendier Espace. Given the choice, which would I have? I reckon I could live happily with either.

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ARTS

Opera plays musical chairs

Antony Thorncroft goes behind the scenes in the art world

A LONG WITH bailiffs and vets, one other profession with plenty of job opportunities at the moment is that of opera director. Half our leading opera companies are looking for new supremos, which will have a pleasant knock-on effect down the line. The big job is the director of the English National Opera and the Board wants to choose a successor to Peter Jonas within the next few weeks. Brian McMaster of Welsh National Opera would have walked it but the only role he craved, director of the Edinburgh Festival, with much prestige and the largest salary package in British arts, £75,000, he secured last week.

This leaves the field (and his job at WNO) wide open. One solution would be a dream ticket of that committed modernist Nicholas Snowman, of the South Bank Centre, coupled with a seasoned musical director, like David Atherton, currently in the ENO pit with the well-received *Peter Grimes*.

Richard Mantle, who abruptly quit Scottish Opera last week, must be in line given his past ENO experience, and the critically admired director Nick Hytner, and Elaine Padmore, who made her mark at the Westford Festival, may have parts to play. Colin Tweedie, after almost a decade of building up ABSA, seems certain to throw his hat in the ring, but Paul Findlay, opera chief at Covent Garden, has been too long associated with the competition to stand a reasonable chance, and Nicholas Payne, boss of Opera North, who would be a strong candidate, apparently prefers country living to a transfer back to the capital.

It is unlikely there will be a successful foreign applicant: the pay, around £55,000, for running this flagship company is slight by international standards.

The new director faces some tough decisions. The current season of 20th century opera has been popular with the critics but not the box office manager and there is a strong case to haggle over the lease of the Coliseum coming up last. If Mrs Holmes & Court, who owns this theatre among many

more, cannot be persuaded to continue the current generous rental the ENO's future in St Martin's Lane looks doubtful.

Recession, what recession? The art market, which lives on confidence, at last has something to shout about, a string of auction records in the last two weeks. They may not be major league stuff - that record \$137,000 for a 18th century maiolica dish, or the record \$428,000 (\$245,400) for a piece of pre-Columbian art, a mask from Mexico, but they are a start.

And some of the records, like the \$1.65m (\$243,000) for a Latin American painting, a self portrait of Frida Kahlo, or the \$1.48m for silver, paid for a Paul de Lamerie dish, are quite respectable. Are the rich feeling confident enough to dabble in art again?

Well, yes and no. The auction houses have certainly done a marvellous job at avoiding disastrous sales by being very selective in what they agree to handle. By last Saturday Sotheby's, for example, had offered 49,000 lots worldwide this year as against 76,000 in the comparable period of 1990. By weeding out tired dealers' stock, or mundane items, it had managed to sell 80 per cent of the lots which came under its hammer as against 86 per cent during the boom of early 1990. In the last quarter of last year, when the market was in real trouble, only 76 per cent of lots offered found buyers.

Christie's can actually report a marginal increase in the success of its fewer sales, 80 per cent sold as against 79.1 per cent last year, and certain markets, like silver and porcelain, are way ahead in turnover. Sales of Old Masters might be down from £24m to £19.7m, but the percentage disposed of is up from 83.9 per cent to 91.2. Yesterday, to confirm the better demand, Christie's sold an altarpiece by the 14th century Florentine Taddeo Gaddi for £1,900, twice the estimate. Its weekly sale last week in Geneva was also a success, making \$3.8m, a 94 per cent sold, against \$3.6m and 91.5 per cent sold a year ago.

The conclusion is obvious. Those works of art which have



Salerooms pick up: this self portrait by Mexican artist Frida Kahlo sold for a record \$1.65m

been sought after for generations, if not centuries, have proved their quality. The committed collectors keep on buying, the bug is in their blood. Jewels might have some appeal as an alternative investment but the finest silver and porcelain and Old Masters seem cheap when set against the outrageous prices paid in recent years for Impressionist pictures.

And this is the downside for the salerooms. Their turnover is at least a third lower than last season because their biggest market, post-1870 art, mainly by the Impressionists but also by British, Swedish, American artists, which they promoted and nurtured until even the most myopic Japanese businessman was persuaded that life was incomplete without a Renoir or a Monet, is still in the doldrums.

In less than a decade this sector grew from around 20 per cent to almost a half of total sales, and the disposal of paint-

ings by Van Gogh for \$82.5m and by Renoir for \$78.1m set benchmarks which will not be reached again for years. Now owners are unwilling to entrust their pictures to an uncertain market. The scale of the decline was revealed in the May auctions in New York. Last year Sotheby's brought in \$386.2m from its main evening sale; this year just \$18.2m. For Christie's the fall was from \$289.4m to \$23.14m. It will need a great many records among collectibles to make good this shortfall, although the June auctions in London, which contain some fine modestly estimated pictures by Toulouse-Lautrec and Degas, could signal the start of the recovery.

For all the hue and cry few established arts companies actually give up. In the last few months Welsh National Opera, the dance troupe Second Stride, and the Liverpool Playhouse Theatre have all been on the brink of closure,

but all were rescued. But for London City Ballet a meeting of the Board next week could bring down the curtain.

London City Ballet has survived for years thanks to the generosity of its chairman, oil broker John Hughes, who has poured in millions, and commercial sponsors, who provide \$200,000 a year. Constantly high audiences around the country have ensured a high box office income, but Hughes believes the LCB deserves an Arts Council grant.

This has never been forthcoming, and setting the opera in the age of Louis XIV - period of Ferdinand Lion's libretto and of the E.T.A. Hoffmann story that inspired it - the producer Liliana Cavani with her designers Dante Ferretti (sets) and Gabriella Pescucci (costumes) created an art-deco ambience of glass brick and chrome, Bauhaus chairs and neon signs. Cardillac's atelier became a smart jewellery shop where Marlene Dietrich or Kay Francis might have entered, and meeting on Thursday with the Arts Minister, Tim Renton, and the Arts Council chairman, Lord Palumbo, was inconclusive. There was a vague promise of jam tomorrow but it is likely that Hughes and his Board will not be prepared to nurse LCB through another year. Redundancy notices have already been issued and it seems LCB will expire on June 30.

years the Natan Fedorowski Galerie at Lehnstrasse 60 has been the leading Berlin outpost for Russian avant-garde art. Until June 8, it has a show of haunting pictograms by Andrej Wagin, a Russian whose allegiance to Malevich and Suprematism is apparent at every turn.

A more international climate is developing with the arrival of Galerie Frank & Schulte from Geneva which opened a branch at Monseigneurstrasse 55 last month with Rebecca Horn's Chorus of the Locust (open until June 1), an installation by glasses and typewriters.

Moving Germany's political capital to Berlin would further enhance the city's cultural status, but even without that its resurgence as art capital, at least of Germany, may be irresistible.

Robin Duthy

Berlin ups its bid

THE BERLIN art scene is living up to the city appears to be leaping a bid to become the new capital of contemporary art. Gallery and saleroom activity suggests that a claim is being staked, especially now that New York has hyped itself out of the pole position it held since the 1940s.

Sotheby's holds its first Berlin auction of 20th-century German art (up to 1950) on May 30. The star lots include Tiger-Lilies, a powerful Max Beckmann of 1937, estimated at \$350,000; a ravishing Emil Nolde of *Poppies and Blue Lupins* at \$220,000 and a 1923 Pechstein of *Girls on a Beach* at \$200,000. A Wilhelm Lehmbruck terracotta *Bowed Female Head* estimated at \$70,000 tops a list of sculptures by Kolbe, Barlach and Guttmann.

Designed as a market-tester, Sotheby's have thrown the net wide this time with Symbolist,

Expressionist, Neue Sachlichkeit and other styles in evidence. The sale takes place at a restored neoclassical palace on the legendary Unter den Linden, until recently across the wall in the Eastern sector.

The German art market has ridden out the 1989/90 storm better than most and Sotheby's Berlin director Josef Kohn believes that treasures will soon emerge from hiding in the East. "For more than 40 years there has been no art market. People don't know what it is and how it works." After 1945, art could only be sold through state channels, and even then under cover of deals out of which party officials took their cut.

Until now the leading Berlin auction-house, Villa Grisebach, has most to lose from Sothe-

by's arrival. But it will be hard to dislodge and the market may expand to the benefit of all. For its spring sales Grisebach has 800 lots on offer (compared with Sotheby's 100) and many buyers will keep their powder dry for its auctions on May 31 and June 1: the first sale includes Lyonel Feininger's *The Project* of 1907 and Emil Nolde's *Young Man and Girl* of 1919, both estimated at \$300,000; some fine Kirchner watercolours and impressive works by Baselitz, Baumert, Schmiedorff and Nay.

Christie's will be watching events from their smart new offices in Fasanenstrasse before deciding when and where to take the plunge. To entice the sellers, it has decked its walls with reproductions of

works by German artists for which they achieved world records - Cranach, Ziemann, Nolde and Kirchner among them, which appears to be working.

In the contemporary field, the milestone *Metropolis* exhibition at the Martin Gropius Bau (until July 21) shows 72 artists from 20 countries; that curators Norman Rosenthal (of the Royal Academy) and Christo Joachimides regard as significant for the 1990s. The reactions to the show, though mixed, have moved Berlin into the 250 public and private galleries in Berlin show work of German and Russian origin. Galleries come and go but the total keeps growing. For ten

orchestra, of local origin and not itself of the first-rank, was enhanced by a rich and varied sound-quality that made the climaxes resound on a truly Wagnerian scale. The voices, too, seemed to belong to gods and giants.

Singers must love the place. And it was, indeed, the soloists, all Finnish bar one, who were the strength of the even-

ing. The outstanding single member was Jorma Hynninen, a deeply-moving Amfortas. Matti Salminen made a powerful Gurnemanz, not calmly wise and venerable, but a positive figure, who imposed himself on the action with the force of his vocal personality. Raimo Sirkiä sang Parsifal well, though with minimum involvement; he is not yet the answer to the Wagner tenor problem. Karan Armstrong, the production's only guest, would have made a telling Kundry if she had not struggled so with the top notes. Astonishing to think that she sang Berg's *Lulu* in London.

Any serious doubts about the evening centred rather on

Richard Fairman
finds the Finns busy building with Wagnerian fervour

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the production, designed and produced by Claude Maville. On a very small budget it looked alright, if one was prepared to accept the vagueness of its filmed projections of shifting sands dissolving into stars and candles. Nor was its avowed intention to play *Parsifal* as a tract against suffering in war objectionable in itself, but as soon as it tried to focus on the Iraqi war in particular, the production invaded dangerous territory. Trying to equate the events in Wagner's religious epic with those of the present-day Middle East, given that region's complexity of warring factions and ideologies, is a perilous undertaking. There was no Good Friday magic spell here. When the spring music arrived, all we saw was a bird drowning in oil.

The best thing was to enjoy the visual effects and try not to think more than necessary. Leif Segerstam led a measured performance, erring on the side of solidity, which did not hinder his singers from bringing the drama to life. The audience seemed content, as well they might, nestling down into their luxuriously padded seats with head-rests. If Bayreuth was half as comfortable, how many Wagnerians there would stay awake?

The third hall that I visited was the new Cultural Centre at Espoo, a town proud of its

Lost in the Stars

Paul Driver on Weill at the Brighton Festival

THE BRIGHTON Festival is drawing to a close with six performances staged by New Sussex Opera at the Gardner Centre, Falmer, of Kurt Weill's Broadway musical, *Lost in the Stars*. The first - falsely billed as the work's European premiere - was on Thursday night, and there are two more performances today and two tomorrow.

Weill wrote the piece - his last - in 1949 to a book and lyrics by Maxwell Anderson adapted from Alan Paton's 1948 novel of South African racial desecration and comfort, *Ory, The Beloved Country*. Like the pacifistic Johnny Johnson, Weill's first American essay, recently given a concert airing in London, it is a musical with a serious theme. It is subtitled, indeed, "a musical tragedy", and in this low-budget production by Keith Warner, conducted by Lionel Friend, came over both as an engaging entertainment and a statement of considerable moral passion.

The moralism sometimes teared on the edge of mawkishness, but remained convinc-

ing, at least on the dramatic, spoken level. Musically I found the work somewhat disappointing, poorer of inspiration and less satisfyingly structured than *Street Scene*, its immediate predecessor in the Weill canon. Perhaps a snappier band would have made a decisive difference? Nevertheless the second act Extra's role was atmospheric and appealing.

Of the vocal numbers only two stood out for me, and they (Act 1's "Trouble Man", Act 2's "Stay Well") are both allocated to the character Irina, a poor woman of the townships - and were sung by the estimable Hyacinth Nicholl. The principal character, black pastor Stephen Kumalo, has the title song and a couple of others, but as rendered in this untrained voice of Ewart James Walters - all resonant solemnity and no intonation - they scarcely stepped the show.

He was a sympathetic enough actor, however; while Tony McPherson walked powerfully in whose grounds it carefully in the non-singing role of Stephen's son Absalom, in

whose nobly desolate refusal to evade conviction for the murder he had committed the piece finally discovers a possibility of comfort and racial reconciliation.

Most impressive perhaps was the chorus, both the black contingent (Church of God Prophecy Choir) and the white (New Sussex Opera Chorus). "Feet" in the first act and "A Bird of Passage" in the second were splendidly brought off. Spyros Cossinas devised a simply functional wooden-beam and wire netting set, which could as easily accommodate a prison pen as a chapel. Saul Reichlin, who acted both the murdered man and the Judge, was also dialect coach: South African accents were rather done to death. Keith Warner's production was a triumph of standing or sitting persons, and of the unflinching of long strips of black cloth and of white. The Gardner Centre, I am told, is in imminent danger of being reclaimed by Sussex University in whose grounds it stands. That would be a great loss to the Brighton area.

Handsome Hindemith opens the Maggio

THE OPENING production of this year's Maggio Musicale - 54th festival in this impressive series - was Paul Hindemith's three-act opera *Cardillac* in the original 1926 version, given in German with Italian subtitles. The work had only five previous Italian productions, including a radio performance, an imported staging from Cologne, and - the Italian debut - a hearing at the Venice Biennale in 1948.

It can therefore rightly be called a rarity, a piece perhaps suited more to festival conditions than to the regular season repertoire, and, despite some external difficulties, the Maggio succeeded in mounting it handsomely, a presentation worthy of the work and of the Maggio's noble history.

Instead of setting the opera in the age of Louis XIV - period of Ferdinand Lion's libretto and of the E.T.A. Hoffmann story that inspired it - the producer Liliana Cavani with her designers Dante Ferretti (sets) and Gabriella Pescucci (costumes) created an art-deco ambience of glass brick and chrome, Bauhaus chairs and neon signs. Cardillac's atelier became a smart jewellery shop where Marlene Dietrich or Kay Francis might have entered, and meeting on Thursday with the Arts Minister, Tim Renton, and the Arts Council chairman, Lord Palumbo, was inconclusive. There was a vague promise of jam tomorrow but it is likely that Hughes and his Board will not be prepared to nurse LCB through another year. Redundancy notices have already been issued and it seems LCB will expire on June 30.

involved. This shift of period, true, robbed the story of some of its fable quality, but Cavani did not aim at stark realism either, and her stylisation added an extra, surreal dimension to the action.

The conductor Bruno Bartoletti has a special affinity for the music of the between-the-wars period, and with admirable insight and sensitivity he let Hindemith's complex score unfold, not attempting to smooth away any of its angularities or to romanticise any of its sometimes chilly intellectualism. Hindemith's opera

William Weaver
hails a rare production of 'Cardillac' at the festival

often has the intimacy and intensity of chamber music, and the solo instruments - especially the winds - glow under Bartoletti's direction while the ensemble was always crisp, lucid.

One of the Maggio's worst problems this year was the unavailability of the Teatro Comunale. Often target of complaints (and surely one of Italy's least attractive opera houses, rivaled only by Rome's Teatro dell'Opera), the Comunale is at least spacious and comfortable. Its chief substitute this year is the more cramped and austere, less charming Teatro Verdi. Dating from 1854 (and formerly known as the Teatro Pagliano, after its first proprietor), the Verdi has undergone various alterations in this century, the most serious in 1950, and for many years it housed revues.

In the title role the Belgian baritone Marcel Vanaud was a lumbering, ponderous but effectively obsessed Cardillac; and Ashley Putnam was his tormented, yet radiant daughter. As the raddled, sexy Lady of the first act, Carol Nehlet was blowy of figure and of voice, and totally in the part (her blood-red boudoir was a particularly splendid and appropriate touch). The Officer, suitor of Cardillac's daughter, was Barry Busse, who sang ardently; and the Knight, suitor of the Lady, was equally well delineated by Salvatore Ragnone.

Hindemith's youthful piece retains an undeniable fascination. Willfully, it seizes the imagination, every sort of aural seduction, but it still impresses by its clarity and honesty, its skill and its distinct personality. The elegiac finale was deeply moving, at the end of a carefully thought-out and intelligently executed performance.

This is the first Maggio under the direction of Massimo Bogianckino, who having resigned as mayor of Florence has assumed - or rather returned to - a position hardly less fraught with difficulties. This year's festival is clearly one of transition, of setting in, but it has begun well, and while the programme is not as rich and stellar as on some past occasions, it gives the Florentines and the city's more alert visitors plenty to listen to and think about.

Married to a monster

Andrew St George explores the Stalin psyche

CHURCHILL SAID of Stalin in 1942: "In spite of everything I'd like that man to like me. Stalin made personal and political power synonymous. He was responsible for the death of 24 million Soviet people; so how did he treat his wife? Stalin married Nadezhda Allilueva in 1919; he was 40, Nadezhda 18. She killed herself when she was 30.

Olya Kuchkina's *Reality & Dreams* at the Offstage Downstairs theatre fixes on two moments - the eve of the wedding, and the day of Nadezhda's suicide - and uses marriage as a vehicle to explore the Stalin psyche. This is the British premiere of a play from the post-gloss Soviet Union. It raises the issue of the extent to which, like Churchill, one can be fascinated by Stalin, however much one knows. It also raises the question of his wife's role as his secretary: did she know of his programme to "Russinize" the Soviet Union? how much indulgence can one give them both?

Kuchkina's Stalin loves his wife for the title she has not been through; and she loves him for those he has. In this meeting of innocence and experience, Stalin seems relieved to have found someone beyond the reach of his reputation. Domestic life is a hell of games playing: brutal, violent and always to win. Stalin comes across as a man bent on victory in everything, quick to despise the vanquished. As they argue, she relies on vicious sarcasm, he on flat logic applied indiscriminately. The marriage is also a match between intuition and rational-

ism: she speaks of "human sentiments", he of the lessons of "life, logic and struggle." And here Stalin is a frightening figure almost entirely without self-consciousness.

Stalin and Nadezhda are wonderfully portrayed by Paul Arlington and Kate Isitt. Both cope admirably with the range of emotions and with the technical time-shifts while Graham Spicer's direction requires. For Kuchkina presents the two scenes first as dreams, then as reality. The result is a perplexing, absorbing play which releases information, its chief commodity, rather idiosyncratically.

The play's structure heavily taxes one's knowledge of the Soviet Union between the wars: perhaps this was no problem for the Moscow audience. However, history aside, once one knows that part of the action is a dream, one

cares less; the dream interchanges lack point because at any time they might either end or wander off into more dreaming. This is a psychological rather than a historical journey in search of Stalin's inner life.

In the end, whatever one learns of Stalin, the more understandable Churchill's fascination becomes. This play rightly shows that Stalin's world view rested on implacable, inhuman logic. When in 1942 Churchill raised the question of the collective farms and the Kulaks, Stalin replied: "Most of them were liquidated by the peasants, who hated them. Ten millions of them. But we had to do it to mechanize our agriculture. In the end, production from the land was doubled. What is one generation?" This play shows how it was possible for him to say that.

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NOT the least remarkable thing about Mrs Thatcher in her 11 years as prime minister is that she never said anything remarkable or even memorable. Her actions were both things but her public utterances were banal, even pathetic. No wonder we were all so astonished by her recent interview with *Vanity Fair*, the American glossy, in which the miserable ex-Prime Minister was quoted as saying "home is where you come to when you have nothing better to do."

This poignant remark was sent around the newsrooms of Britain by *Vanity Fair*'s UK PR company long before the full text of the interview was available; it became

the quote of the week in every newspaper in Britain and every writer rushed into instant criticism of Thatcher's deep hypocrisy: here was a woman who preached the value of home and family yet herself saw them as the least important things in her life, etc.

Now Thatcher's office has circulated a full transcript of the interview, with one Maureen Orth. And it transpires that Thatcher was not talking about herself at all, but her children: "Sometimes if something happens, and we don't see the family as often as we would wish, and

they go off and I say 'well, look, home is where you come to when you haven't anything better to do. We are always there'." In other words, very much like any normal mother of adult children.

We are in the business of selective quotations here and it is a messy one. The technique of picking out one or two quotes out of a much longer conversation, to turn the sense completely around, is one which pre-dates even journalism. It is particularly popular with politicians. Perhaps Saddam Hussein was the best recent exponent, leek-

ing very selectively from a conversation he had with the former American Ambassador in Baghdad, April Glaspie. We all remember now her remark "we have no view on Arab-Arab disputes" which Saddam joyously quoted to justify his invasion of Kuwait.

Yet the full text of Glaspie's remarks included several clear statements that America was greatly concerned about Iraq's intentions towards Kuwait. But who will remember that? Glaspie, like Thatcher, is doomed to be quoted out of context for the rest of

her life. And beyond, both Glaspie's remark and Thatcher's will, I am sure, find their way into future anthologies of quotations.

The British press is frequently said to be the most uncaring in the world but the practice in America, as Thatcher found out, is, if anything, worse. A few years ago, Janet Malcolm, an American journalist, wrote an article, later a book, on Jeffrey Masson, then keeper of the Freud Museum. She quoted him as saying that he wanted "sex, women and fun" to be part of the activities of the

museum, when what he actually said was "there should be people here, that's what it needs", and further quoted him saying his relationship to Anna Freud was that of "an intellectual couple - you get your pleasure from him but you don't take him out in public." What he really said was: "I was a private asset but a public liability." When Masson, who lost his job as keeper of the museum and Malcolm, one judge, incredibly, decided that, though Masson had, indeed, not said what he had been quoted as saying in these two examples, "just

because something is in quotes, it doesn't have to correspond exactly to what he had said."

After that example, it's clear that Thatcher got off lightly - at least. Orth did not make anything up. And I don't think we should see Thatcher as a completely innocent. Why did she do the interview with *Vanity Fair*, rather than an English newspaper of more serious political repute? Because, apparently, the Thatcher Foundation was at that time seeking funds in America and she needed publicity in that country. In the end, politicians, like actors and writers, agree to interviews only because they have something to sell. They are trying to make the press and they find it hard to take when the press ends up manipulating them.

■ Dominic Lawson is editor of the *Spectator*.

She mustn't grumble, must she?

Dominic Lawson on why Thatcher got off lightly with a recent interview

A gentle man, a gentle place

Lucia van der Post meets François Spoerry, the man who designed Port-Grimaud



Spoerry at Port-Grimaud: a manifestation of everything he believes in architecturally

Claude Gaspari

"PASTICHE," said the critics when Port-Grimaud, the lagoon-city in the south of France, was first unveiled in 1967. "Clever, of course," they added, "but really... so fake, so unconvincing."

THE architectural journals largely ignored it. If it had been a new play it would have closed overnight. In short, it was a professional no-no. But François Spoerry, the French architect who created it, was, and is, unrepentant. Even now, many years on, sitting in London's Grosvenor House hotel on a sunny spring morning, the perfect picture of a successful *homme d'affaires* in blazer and carefully pressed flannels, he remembers what drove him on. "I hated the brutal, aggressive and mediocre buildings that were disfiguring our land. I always had this feeling that the person who mattered to me was the man who would live and work in the buildings I put up, as well as the visitor who would see them. I wasn't interested in building just to please my fellow-architects."

But in his new book, *A Gentle Architecture*, he makes clear that there was a price to be paid for going against the mainstream. "I was destined to suffer cruelly," he writes, "both intellectually and physically, from the infatuation of my contemporaries with his [le Corbusier's] style of modern architecture."

He feels, however, that he was lucky to be taught before le Corbusier fever really caught on. "I studied at the Beaux Arts," he tells me, "just before the war when it had not yet been infected with the new thinking." By the time he came to practice just after the war le Corbusier's ideas were the accepted orthodoxy that nobody dared go against.

"He was so dangerous because he was such a very talented man. He used words like a poet. Phrases like 'la cité radieuse' caught the imagination of the young architects. He was intoxicated with the new means of construction which enabled architects to build up to the 24th floor and he aimed to use them to conquer the sky. But he was arrogant... oh, so arrogant. The public were excluded from the debate. No other thinking was allowed and two generations of architects were poisoned with his thinking. We see everywhere the results. In France the awful riots in the red belt around Paris, where low-income families are herded together in hateful buildings. Corbusier, you see, believed in zoning. But it is not natural that low-income people should be herded together into ghettos like that."

Port-Grimaud, some 45 kilometres west of Nice, is Spoerry's first and most famous manifestation of everything he believes in architecturally, and today he is the undisputed master-creator of the lagoon-city. A sailor himself before he ever picked up a set-square, he began dreaming of houses intertwined with water when as a young man he worked on a model of medieval lagoon city in Zurich museum. However, getting Port-Grimaud off the ground was not easy. Everybody he approached for money refused to invest. Everybody thought it was doomed to failure. He became fixated to the project as well as architect, town-planner and master-builder.

His dream was far from vague. He seemed to have a very clear vision which he described even before a brick was laid. "Port-Grimaud," he writes, "was born of my longing to have a little house right on the sea, with a boat outside the door. But what I want to create is not a soulless housing estate by the sea. I want to build a proper village with a heart, a club, a market place, a town hall. My village will claim descent from the villages of

the past, from those ancient quiet places which, for generations have been home to peasants and fishermen all over France."

And that was what he created: the first large-scale project based on a vernacular form of architecture, a small town planned round a system of curving dredged canals, each with its own mooring and garden. He paid great attention to detail, believing that quality of detail was essential to creating an harmonious, pleasing environment. He oversaw everything from the moorings in front of the shops to the lanterns, lamp-posts, name-plates, benches...

Cars had to be left outside the town; inside the Cité Lacustre, as it came to be called, people went about the business by launch or sailing boat. By using a system of peninsulas and canals, rather like

the fingers on a hand, every house had a view over the water and its own mooring. Old, traditional components like beams and flooring, roof-tiles and bits of wrought-iron, salvaged from buildings in Provence, were incorporated into the buildings. For his colour-palette he looked to the traditional pastel-coloured Roman and Genoese tiles whose "ochre and straw tints weathered by time" all contribute to the harmony of the whole. All the "non-harmonious" technology and mechanics that modern-day living demands are housed underground and out of sight.

The first four-bedroom houses with 40 ft of mooring came on the market in 1967 at between £7,000 and £8,000 (today they go for about £250,000) and from the first day, he tells me, "it caught on like a fire." While the architectural journals

were busy ignoring the scheme, the public was voting with its purse and buying the houses almost as they came on to the market, giving Spoerry the finance he needed to fund the next tranche.

Most of those who came to mock failed to look closely enough. As John Freeman, an architect who is well-used to working outside the mainstream, puts it: "They were really objecting to the style, which is only a fraction of what building a town is about. What they failed to observe was how extremely well-designed it is, how well it works. It is actually very hard to bring off this kind of architecture. Technically, too, it is excellent."

"The use of space inside the houses is brilliantly done. It has the solid quality of peasant architecture where everything is built for maximum longevity, for minimum effort

and minimum waste. To set out from one of the houses in a little boat to pick up your morning loaf of bread is a joy."

There it sits today, a charming, busy, thriving marine city where people can sail and holiday and work. It is hard to believe how extraordinary it seemed in the days when there was only one religion, le Corbusier's. So much have times changed that, as François Spoerry says, "nobody now can sell a modern house in the South of France, everybody wants houses built in the vernacular style."

But surely, I ask, you cannot be against all innovative architecture? "No, of course not. I think there are really two kinds of architecture - what I call *mausoleum* for palaces, monuments, official buildings, and there is domestic architecture for the homes and offices that people live and work in. For *mausoleum* architecture I could be happy with avant-garde, adventurous ideas, though I see few that I like."

Is there nothing that pleases you? "Oh, yes, of course there are some. I am not always against high-rise buildings - though I do not think anybody is really happy living in them - but I think some of Skidmore, Owings and Merrill's buildings in New York are wonderful and I like Saarinen's TWA air terminal in New York. Philip Johnson's glass and steel structure in Pittsburgh is subtle and I like the Bai building in Hong Kong as well as his pyramid in the Louvre. He is an architect of the highest quality."

"I am not now so depressed about the future. Things have changed enormously. For one thing there are several schools of architecture producing very different sorts of ideas whereas 15 years ago there was only the one religion. Now many architects are influenced by what we are doing, especially in residential architecture. So there the worst is passed for the moment but I think official architecture and town planning is still very bad. There is still much of what I call arrogant architecture - for instance in the town of Nice there is a small Roman temple, la Maison Carrée, completely intact, and Norman Foster won a competition to make a brand-new building just close to it. It is an abomination."

"Town planning, though, has been a disaster ever since the war. It is more important than architecture because a well-planned city with architecture that is not perfect can still be a good place to live in - if you have good circulation, fast connections, good gathering places and well-placed parks and fresh air. Some of the rows of plain houses you have in England make even good places for people to live even though the architecture is not itself distinguished."

Today he is nearly 80 but shows no sign of slowing. He lives in Port-Grimaud for much of the year - "my office is five minutes from my house by launch and I take my boat out every day." His office is small but it is in his office in Moulins, France, and 15 in Port-Grimaud but he has some 40 projects, many of them very large, under way. There is Port Liberté in New York, Puerto Escondido, Port Lisa, projects in Egypt, Japan, Australia, but nothing, so far, in England.

Wherever he builds his motto is the same. It is taken from the words Paul Valéry gave to Phédon in Eupalinos and the Architect - "among all the buildings which constitute the town, some are dumb, some talk, while others, and they are much rarer, sing."

"We want," he tells me, "to create an architecture which will sing." Bring him here, quickly.

A Gentle Architecture by François Spoerry, £18, is published by John Wiley & Sons in association with Phoen Books, Chichester.

A major story lost in space

Michael Thompson-Noel



I WAS settling down to watch *Coronation Street* this week when there was a knock on the door and there stood my friend from the US embassy in London, the intelligence major, from time to time the major brings me messages from Washington of an ultramundane nature whose momentousness befits my White House security rating - Level 11, as high as you can get.

"Good evening, Colonel Mike," said the major. He handed me a green envelope, saluted surreptitiously, and then disappeared.

I had not seen the major, or heard from the White House, since last December, when I won kudos all round by reinterpreting (just in the nick of time) the cockamamie data flowing from Nasa's Hubble telescope.

I opened the envelope. The message was a request from the White House to speed to Downing Street for a meeting with the prime minister and to discuss with him, as Washington's emissary, his new-sprung belief in the existence of UFOs.

"Just what I need," I thought irritably, as I flicked off the TV and dodged into the ebric haze of a typical London evening.

As I explained last December, the White House has confused me with someone else. Otherwise it would not have promoted me to Security Level 11. The confusion clearly stems from my (genuine) rank as a Kentucky Colonel, bestowed on me, with pomp and ceremony, in June 1987 by Governor Julian M. Carroll. The harder I try to clear things up the more I am confused by this peculiar entanglement.

The prime minister was waiting for me in his peach-hued sitting room. He looked as grey as ever, but his eyes gleamed like twin suns as he peered from behind a stack of files marked Secret, Top Secret and Ultra. (Internationally, there are 24 categories of secrecy above Ultra, but I thought I would not burden the PM with such an observation).

"Good evening, Col Mike," he said. "I know you are busy, so I will dispense with the preliminaries and come to the point with rapidity. I trust you will convey what I have to say to the president in Washington with an element of despatch, because what I have discovered has ramifications for all of us on Earth - or even those off it, such as Britain's first cosmonaut, Helen Sharman, whose arrival at the Mir space station this week aboard the Soyuz TM12 capsule marks the sort of achievement with which my administration is jolly proud to be associated with."

"UFOs, Col Mike. That is what I want to put to you. I have been studying the files with diligence and have arrived at the belief that the evidence for UFO visits is now incontrovertible."

I said nothing. Moved not a muscle. Studied my shoes. (Graciously polished. I was surprised to note).

"It strikes me," said the PM, "that

a vast number of opportunities are draining away into the sand without our lifting a finger to help ourselves. Take Dr Leopoldo Diaz."

The PM rummaged in a file. "In October 1978 Dr Diaz, a paediatrics and anaesthesia specialist, was executive director of the Hospital del Parrocaril del Pacifico in Guadalajara, Mexico, where he was asked to examine a stranger. The stranger was 5ft 2in and hairless. He said he was 84, though he seemed to the doctor to be in his 40s or 50s."

"Suddenly," the stranger announced that he was not from this planet, but had come to give us information. He said that he and his people had approached government officials and scientists, but that many were arrogant. "They don't want to hear; they don't want to change."

"Then the alien told the doctor that he would soon have to find a new energy source. It is very easy," he said. "It is possible to get tremendous energy if you know how to dissociate electrons; in this way you can have the free energy you need without contamination or pollution."

I shuddered a wawn. "Do you know what happened?" asked the PM. "Dr Diaz went to New York and met people at the UN, in the office of Robert Muller, under-secretary for economic and social development. Muller circulated details of Dr Diaz's story, but no-one responded. No-one would listen. Nothing happened. The alien disappeared. I find that incredible. We have got to develop much better systems for grasping these opportunities so as to liberate mankind."

"Prime minister," I said at last. "As chance would have it, I have spent many hours pondering the UFO phenomenon, and have reached the opposite conclusion. We don't have UFOs, just UFO reports. We have no evidence whatsoever - just psychobabble and the ceaseless churning of our own imaginative brains. That's where all this stuff comes from, you know, the cerebral cortex, just like everything else: religion, art, war, love, recipes for tripe soup, *Match of the Day*."

"Jimmy Carter saw a UFO," said the PM sharply. "So did Ronald Reagan. It's all down on file, Colonel. What is more, I myself have seen some bright light recently - not a vision as such, but spots of orange light flickering and shimmering and dipping over Whitehall."

"Prime Minister," I said. "Haven't you got bigger things to worry about? The election, for instance?" "What election?" "The one that you're supposed to call any day now."

The PM smiled brilliantly. "We haven't got time for one of those," he said. "That's what I want you to tell George Bush - that democratic elections are messy, dangerous. We've had quite enough elections to last us this century. There are numerous other matters that need our attention urgently. Tell George Bush that we should postpone all elections until at least 2000. There'll be no harm, Colonel. Just you wait and see."

Every dog has had its day

John Willman on why Fido's days are numbered

ONE HUNDRED years ago it was socially acceptable to take laudanum. Cigarettes were distributed free to the armed forces during the Second World War. Until four years ago, supermarket shelves were high with serotons containing CFCs. Today, owning a dog is not yet a sign of moral turpitude - but it soon may be. The current furore over "devil dogs" is only the latest sign of the decline and fall of man's best friend.

My children already regard smoking as irrational behaviour on a par with indecent exposure. Their children will be as mystified by an era when 7m dogs evicted their owners on the pavement. They will gasp at the 250,000 people bitten each year by dogs - more than 7,000 attacks on postmen alone. Arguments will rage over how a nation which described itself as dog-loving could put down 1,000 unwanted dogs every day. Archive film of Barbara Woodhouse will be viewed with the hilarity of a war-time film about how to make an appetising stew out of snook.

Dogs polarise opinion in much the same way as smoking. A gulf similar to that between smokers and non-smokers separates those who own dogs and those who don't (I hesitate to use the term dog-haters - mostly it is the owners who are the problem). Both involve a

clash of rights: your freedom to enjoy a cigarette after a restaurant meal infringes my desire to eat in a smoke-free environment; your dog affords protection and companionship but forces me to perform hopscotch in the street and restrain my children in the park.

Non-smokers have won their battle and the smoker is becoming an endangered species. Those who do not own dogs are still battling it out with the dog-owners, but the Government's intention of criminalising certain types of dog ownership may mark a decisive victory in the campaign. (To minimise the quantity of hate mail, I should like to say that I regard the destruction of tens of thousands of dogs as a rather more final solution than is strictly necessary. The tabloids propheet; the home secretary dispoeth.)

The writing on the wall for *canis familiaris* first appeared more 15 years ago in Burnley, Lancashire, when the council restricted dogs in two parks. The councillors can hardly have expected the battle which ensued, as dog-owners mobilised to defend what they saw as

their rights - one even serving a jail sentence for the principle. The restrictions were fought in the ballot box at council elections, a legal challenge went to the House of Lords; and dog owners espoused civil disobedience with a tenacity. Other councils followed suit, spurred by reports of blindness and lesser injuries caused by the *zorocors*.

Keeping an aardvark requires a permit but anyone can buy a dog

canis roundworm, the eggs of which lurk in dog faeces. An incentive to clean up was provided by the £5,000 compensation paid to a seven-year-old girl by Blackpool council in an out-of-court settlement after she was blinded in both eyes by *zorocors* picked up in a local park. "Dogs' WCs" sprung up in public parks, with dog-free zones (only slightly more effective than nuclear-free zones) and bye-laws on fouling the streets.

Each step to restrict the freedom of dog-owners produces local civil war. In south-east London is blessed with two small parks, both until recently freely used by dogs (with or without owners). The council proposed confining dogs to one park to allow the other - which has a children's playground - to be dog-free. Most houses in the area, it should be added, have gardens large enough to exercise the hound of the Baskervilles.

The dog-owners declared war, with an intensity normally reserved for national threats such as Eric Legislation on the length of cricket pitches. Indignant meetings challenged the council's mandate and promised poll tax boycotts. Dog owners uprooted signs and fly-posted the parks. Those who supported the measure were subject to a measure of personal abuse and acrimony. The council persisted: the dog-owners - many of them law-abiding citizens who would sooner die than not pay their TV



licence - defiantly walked their dogs together. This small episode suggests the scale of the rearguard action the government can expect over its rather more draconian proposals for curbing dangerous dogs. The dog lobby in the UK is at least as vociferous and well-organised as the gun lobby in the US. One much-quoted owner describes her dog as her baby

some form of registration is compulsory in most cities (together with legislation requiring the use of pooper-scoopers). The British Government has set its face against registration, although it came within three votes of defeat on the issue in the House of Lords last year after an earlier spate of attacks. Keeping a gibbon or an aardvark requires council permit under the Dangerous Wild Animals Act (1976), but anyone can buy a dog - in spite of the mounting toll to life, limb and public hygiene.

The need for a registration scheme will become even more obvious once the government tries to implement its cull of fighting dogs. More legislation will surely follow, including compulsory immunisation, third party insurance and legal responsibilities for owners of their dogs' behaviour. The opening of the Channel tunnel will add further incentive, as rabies continues its slow progress across Europe.

And that is why, with a fair amount of confidence, I predict the gradual decline of dog-owning to a hard core of those for whom dogs are essential (principally the blind), breeders and enthusiasts. The day of the over-the-counter dog, bought on impulse as a gift or a lifestyle accessory, is fast. Fido is about to join Captain Pug Bungle and CFC aerosols in the dustbin of history.

TELEVISION

SATURDAY

BBC1

8.40 Open University. 9.30 Pinocchio. 9.50 Kite-ster. 8.15 The 8.15 from Manchester.

9.15 The 8.15 from Manchester.

10.37 Weather.

10.40 Grandstand. Introduced by Steve Rider. Including 10.45 Cricket.

England v West Indies in the Texaco One-Day International at Old Trafford. 1.05 Football: Highlights of Argentina v USSR. 1.25 Racing from Haydock Park: The People-Sporting Life Championship.

Three Year Old Handicap Stakes. 1.40 Cricket: Further coverage.

1.55 Racing from Haydock Park: The Hazelwood Food Sandy Lane Stakes. 2.10 Cricket: Further coverage.

2.25 Racing from Haydock Park: The Volvo PGA Championships. The second round from Wetherby. 3.45 Racing from Haydock Park: The Irish 1,000 Guineas. 4.00 Golf: Further coverage.

5.05 News and Weather.

5.15 Regional News.

5.20 The Flying Doctors.

5.25 That's Showbusiness.

5.30 You Gotta Be Jokin'.

7.05 Columbo.

8.20 One Foot in the Grave. Comedy starring Richard Wilson and Anne Crabb. The Big Sleep. Margaret has borrowed a book from the library called Coping with Old Age. She helps Victor come to terms with his elderly retirement. Or maybe the keep-fit for the elderly class at the adult education centre will be more helpful.

8.50 News and Sport: Weather.

9.10 Casualty.

9.15 Grandstand. City. New series. Late-night comedy show. Hosted by Curtis and Ismael with Tommy Cockles, Ellen Kieghorn, John Mendoza and Frank Skinner.

10.40 International Match of the Day. England v Argentina. Desmond Lynam introduces highlights of the first match between England and Argentina since the 1966 World Cup. And Maradona's famous Hand of God incident. Commentary by Ian McEwan who is joined by Trevor Brooking.

11.30 Film: The Comedy of Terrors (TVM 1984).

12.50 Weather.

12.55 Close.

BBC2

8.50 Open University. 8.50 Maths: Calculus. 9.15 Art in 15th Century Italy. Florence. 7.40 Geography of the Alps. 8.05 Computing: On the Right Track. 8.20 Design: Learning From Experience. 8.55 IT: What's in Store. 9.20 Education: Baby Talk. 10.10 Images: Holography at Work. 10.35 State Society: The Right to Know. 11.00 Open Forum: Magazine: News and Views on the OU. 11.25 Arts: Warfare and Welfare. 11.50 Education: Learning Maths Together. 12.10 Hemis: Workshops. 12.40 Santa Spirit: Church. 1.05 Education for Adults: Literacy Lessons. 1.30 Modern Art: Futurism. 1.55 Science from Dr Faust. 2.20 Ecology: Ancient Woodland.

2.45 Mahabharat. (English subtitles).

3.25 Film: Son of Sinbad (1955). Fantasy adventure starring Vincent Price, Dale Robertson, Sally Forrest and Lili St. Cyr.

4.55 International Cricket Live coverage of England v West Indies in the second of the three one-day international matches for the Texaco Trophy. With commentary by Richie Benaud and Jack Bannister.

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12.50 Weather.

12.55 Close.

ITV

8.00 TV-am. 8.25 Ghost Train. 11.30 The ITV Chart Show. 12.30 pm World Sport Special.

1.00 ITN News: Weather.

1.05 LWT News: Weather.

1.10 The Day.

1.15 Cartoon Time.

1.20 Rook School 91. Mike Reid and Anthony Turner present some of the best of Britain's teenage musical talent performed to original music in this year's Panasonic Audio Rook School competition final. Three schools from the region are among the contenders.

2.20 Film: Anne of a Thousand Days (1959). Film version of the play about Anne Boleyn, her courtship by Henry VIII, marriage and subsequent execution. Starring Richard Burton and Genevieve Bujald.

5.00 ITN News: Weather.

5.10 LWT News: Weather.

5.15 MacGyver.

5.40 Wayne Dobson: A Kind of Magic.

6.40 Bob's Your Uncle.

7.25 Agatha Christie's Poirot. Murder in the Mews. Captain Hastings points out to Poirot that the noise of fireworks at Guy Fawkes night could provide the ideal opportunity for a murder. Little does he know that his Mews garage will become the setting for a murder mystery more complex than the Gun Powder Plot.

8.25 Duty Free. TV star, Fraser Hines, comes to stay at the hotel, causing a great deal of excitement among the ladies. Unfortunately one of them over-reacts and her husband becomes suspicious. Starring Keith Barron and Gwen Taylor.

8.55 ITN News and Sport: Weather.

9.10 LWT Weather.

9.15 Film: BL Story: Blues for Buder (1988). Starring Rod Taylor, Rita Marlowe and Leslie Davis. The final film of the Apu trilogy, Chatterjee, entering into marriage. Also stars Shermila Tagore and Swapan Mukherjee.

11.05 Metre. Arts and entertainment programme presented by Ian Dury and Arabella Weir.

11.40 Film: Malibu Beach (1978).

1.25 Up to the Junction.

2.05 Night Heat.

3.00 American College Football.

4.00 The HR Man and Her.

CHANNEL 4

5.30 4-Tel On View. 8.35 Sing and Swing. 9.30 Listening Eye. 10.00 Images. 10.30 Wagon Train. 11.30 World League of American Football. 12.30 pm The Munters.

1.00 Film: My Cousin Rachel (1952). Adaptation of Daphne Du Maurier's novel with Richard Burton and Olivia De Havilland.

2.50 The Harpoonist. Dramatic story of a harpoonist's encounter with a whale portrayed in this animation from Estonia.

3.00 Channel 4 Racing from Kempton Park and The Curragh including the 3.10 Crawley Warren H'cap Stakes. 3.40 Crawley Warren H'cap Stakes. 3.50 Goffs Irish 1,000 Guineas. 4.10 Underwriting H'cap Stakes. 4.40 Brooking H'cap Stakes. Introduced by John Oakeley with commentary by Graham Goodie.

5.05 Brokeback. News Summary and Weather.

5.30 Right to Reply.

7.00 Sound Staff. Beyond the Maypole. Zimbabwean star Biggie Tempo begins a rare African voyage of discovery around the English music scene. En route he encounters and plays with various artists including Billy Bragg, The Barefoot Wonders and The South Downs Morris.

8.00 Adventure: The Last Navigator. A tale of the last navigator, a remote island on Earth. It is a small population has survived by bringing food to the island in sea-going sailing canoes, and this film is about one of its dying breed of navigators, Mau Piliang, and his relationship with an American sailor, Stephen Thomas.

9.00 Shifty. A comedy.

10.00 Film: The World of Apu (1985). Domestic drama continuing the season of Satyajit Ray films. The final film of the Apu trilogy, Chatterjee, entering into marriage. Also stars Shermila Tagore and Swapan Mukherjee.

11.45 On the Other Hand. Twenty-two year old Glaswegian, Naureen Akmal, was recently married in Pakistan aged 14. She is now fighting in the Scottish courts to have the marriage annulled. What are the implications for arranged marriages in Britain if she wins?

12.55 Australian Rules Football.

1.55 Close.

REGIONS

12.30 MotorSport Specials. 1.25 Angle News. 1.30 Buzzart. 1.35 Brand New Life. 2.40 The Caine Murky. 3.10 Angle News and Sport. 3.15 The A-Team. 11.00 On Golden Pond. 12.00 News.

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